



Main Office

818 West Seventh Street

12th Floor

Los Angeles, California

90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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San Bernardino County: Gary Oviatt, San Bernardino County • Lawrence Dale, Barstow • Paul Eaton, Montclair • Lee Ann Garcia, Grand Terrace • Tim Jasper, Town of Apple Valley • Larry McCallum, Highland • Deborah Robertson, Rialto • Alan Wagner, Ontario

Ventura County: Judy Mikeli, Ventura County • Glen Becena, Santa Valley • Carl Morehouse, San Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Lou Correa, County of Orange

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

No. 483 Meeting of the

Regional Council

Thursday, January 4, 2007
12:00 Noon – 1:30 p.m.

SCAG Offices

818 W. 7th Street, 12th Floor

San Bernardino Conference Room A & B

Los Angeles, California 90017

213.236.1800

Agendas and Minutes for the
Regional Council are also available at
www.scag.ca.gov/committees/rc.htm

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Shelia Stewart at 213.236.1868 or stewart@scag.ca.gov.

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REGIONAL COUNCIL

AGENDA

PAGE #

TIME

"Any item listed on the agenda (action or information) may be acted upon at the discretion of the committee"

Meeting Focus: *"Overview of Critical Components of the RHNA"*

- | | | | |
|-------|---|--------------------------------|----|
| 1.0 | <u>CALL TO ORDER & PLEDGE OF ALLEGIANCE</u> | Hon. Yvonne Burke
President | |
| 2.0 | <u>PUBLIC COMMENT PERIOD</u> – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out and present a speaker's card to the Executive Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The President may limit the total time for all comments to twenty minutes. | | |
| 3.0 | <u>CONSENT CALENDAR</u> | | |
| 3.1 | <u>Approval Items</u> | | |
| 3.1.1 | <u>Minutes of December 14, 2006 Meeting Attachment</u> | | 1 |
| 3.1.2 | <u>Resolution 07-482-1 authorizing SCAG to accept Blueprint Planning Grant Funds Attachment</u> | | 9 |
| 3.1.3 | <u>Use of SCAG logo for Caltrans Transit Security Seminar Attachment</u> | | 13 |
| 3.2 | <u>Receive & File</u> | | |
| 3.2.1 | <u>Contracts/Purchase Orders and MOUs between \$5,000 - \$250,000 Attachment</u> | | 17 |
| 3.2.2 | <u>FY 06 Comprehensive Annual Financial Report Attachment</u> | | 27 |
| 3.2.3 | <u>CFO Monthly Financial Report for November/December 2006 Attachment</u> | | 28 |

REGIONAL COUNCIL

AGENDA

PAGE #

TIME

4.0 PRESIDENT'S REPORT

4.1 Committee Appointments

4.2 Appointment of RHNA Appeals Board Members and Alternate Members

5.0 EXECUTIVE DIRECTOR'S REPORT

5.1 Report from the Executive Director

6.0 ACTION ITEMS

6.1 Executive Committee Report

Hon. Yvonne
Burke, Chair

6.1.1 RHNA Legislation Update

Recommended Action: Receive
and file.

6.2 Administration Committee Report

Hon. Toni
Young, Chair

6.2.1 Sponsorship of the 2007 California Congressional Delegation Reception Attachment

36

Recommended Action: Approve

6.3 Transportation & Communications Committee (TCC) Report

Hon. Harry
Baldwin, Chair

6.3.1 Comments to the Southern California Regional Airport Authority Attachment

38

Recommended Action: Approve

REGIONAL COUNCIL

AGENDA

		PAGE #	TIME
6.4	<u>Community, Economic & Human Development Committee Report</u>	Hon. Paul Bowlen, Chair	
6.4.1	<u>Draft Appeals Procedure re: the RHNA Attachment</u>	41	
	Recommended Action: Approve		
6.5	<u>Energy & Environment Committee (EEC) Report</u>	Hon. Dennis Washburn, Chair	
6.6	<u>Communications & Membership Subcommittee Report</u>	Hon. Glen Becerra, Chair	
7.0	<u>INFORMATION ITEMS</u>		
7.1	<u>RHNA Workshop</u>	Hon. Paul Bowlen Chair, CEHD/Hon Jon Edney Vice Chair	30 minutes
	The focus of the workshop is to discuss the status and next steps. of the RHNA		
8.0	<u>FUTURE AGENDA ITEMS</u>		
	Any committee member desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.		
9.0	<u>ANNOUNCEMENTS</u>		
10.0	<u>ADJOURNMENT</u>		
	The next meeting of the Regional Council is scheduled for February 1, 2007 at the SCAG offices in downtown Los Angeles.		

NO. 481
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL
December 14, 2006
MINUTES

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Regional Council (RC) of the Southern California Association of Governments held its meeting at the SCAG offices downtown Los Angeles. The meeting was called to order by the President Yvonne Burke, Supervisor, County of Los Angeles. There was a quorum.

Members Present

Hon. Yvonne B. Burke, President, Los Angeles County	
Hon. Gary Ovitt, 1st Vice President, San Bernardino County	
Hon. Toni Young, Port Hueneme, Immediate Past President	District 45
Hon. Chris Norby, Orange County	
Hon. Jeff Stone, Riverside County	
Hon. Jon Edney, El Centro	District 1
Hon. Ron Roberts, Temecula	District 5
Hon. Larry McCallon, Highland	District 7
Hon. Paul Eaton, Montclair	District 9
Hon. Alan Wapner, Ontario	District 10
Hon. Lawrence Dale, Barstow	District 11
Hon. Paul Glabb, Laguna Niguel	District 12
Hon. Leslie Daigle, Newport Beach	District 14
Hon. Lou Bone, Tustin	District 17
Hon. Christine Barnes, La Palma	District 18
Hon. David Gafin, Downey	District 25
Hon. Frank Gurule, Cudahy	District 27
Hon. Rae Gabelich, Long Beach	District 29
Hon. Stan Carroll, La Habra Heights	District 31
Hon. Margaret Clark, Rosemead	District 32
Hon. Keith Hanks, Azusa	District 33
Hon. Harry Baldwin, San Gabriel	District 35
Hon. Mike Ten, South Pasadena	District 36
Hon. Tom Sykes, Walnut	District 37
Hon. Paula Lantz, Pomona	District 38
Hon. Paul Nowatka, Torrance	District 39
Hon. Glen Becerra, Simi Valley	District 46
Hon. Carl Morehouse, San Buenaventura	District 47
Hon. Bernard Parks, Los Angeles	District 55
Hon. Debbie Cook, Huntington Beach	District 64
Hon. Tim Jasper, Apple Valley	District 65
Hon. Keith Millhouse, Moorpark	VCTC

Members Not Present

Hon. Judy Mikels, Ventura County	
Hon. Victor Carrillo, Imperial Valley	
Hon. Zev Yaroslavsky, LA County	
Hon. Lou Correa, Orange County	OCTA
Hon. Greg Pettis, Cathedral City	District 2
Hon. Bonnie Flickinger, Moreno Valley	District 3
Hon. Ron Loveridge, Riverside	District 4
Hon. Lee Ann Garcia, Grand Terrace	District 6
Hon. Deborah Robertson	District 8
Hon. Richard Dixon, Lake Forest, 2 nd Vice President	District 13
Hon. Richard Chavez, Anaheim	District 19
Hon. Art Brown, Buena Park	District 21
Hon. John Beauman, Brea	District 22
Hon. Paul Bowlen, Cerritos	District 23
Hon. Gene Daniels, Paramount	District 24
Hon. Isadore Hall, Compton	District 26
Hon. Judy Dunlap, Inglewood	District 28
Hon. Tonia Reyes-Uranga, Long Beach	District 30
Hon. Jim Aldinger, Manhattan Beach	District 40
Hon. Pam O'Connor, Santa Monica	District 41
Hon. Todd Campbell, Burbank	District 42
Hon. Mike Dispenza, Palmdale	District 43
Hon. Dennis Washburn, Calabasas	District 44
Hon. Ed Reyes, Los Angeles	District 48
Hon. Wendy Greuel, Los Angeles	District 49
Hon. Dennis Zine, Los Angeles	District 50
Hon. Tom LaBonge, Los Angeles	District 51
Hon. Jack Weiss, Los Angeles	District 52
Hon. Tony Cardenas, Los Angeles	District 53
Hon. Alex Padilla, Los Angeles	District 54
Hon. Jan Perry, Los Angeles	District 56
Hon. Herb Wesson, Los Angeles	District 57
Hon. Bill Rosendahl, Los Angeles	District 58
Hon. Greig Smith, Los Angeles	District 59
Hon. Eric Garcetti, Los Angeles	District 60
Hon. Jose Huizar, Jr., Los Angeles	District 61
Hon. Janice Hahn, Los Angeles	District 62
Hon. Thomas Buckley, Lake Elsinore	District 63
Hon. Antonio Villariagosa, Los Angeles	At-Large
Hon. Robin Lowe, Hemet	RCTC
Hon. Andy Masiel, TASIN	

Staff Present

Mark Pisano, Executive Director
Jim Gosnell, Deputy Executive Director
Wayne Moore, Chief Financial Officer
Hasan Ikhrata, Director, Planning & Policy
Colin Lennard, General Counsel
Joanne Africa, Deputy Counsel
Lisa Taylor, Sr. Administrative Assistant

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

Led by Councilmember Lou Bone, City of Tustin.

2.0 PUBLIC COMMENT PERIOD

Public comments were presented by Zuma Dog, TV 35, on truck issues as they relate to the 710 freeway.

3.0 CONSENT CALENDAR

Items 3.1.2, 3.1.5 and 3.1.6 were pulled. MOTION was made (Millhouse) to approve the remaining consent calendar items. Motion was SECONDED (Eaton) and UNANIMOUSLY approved.

3.1 Approval Items

3.1.1 Minutes of November 2, 2006 Meeting

3.1.3 Contract Amendments over \$75,000

3.1.4 2007 National Alternative Fuel and Vehicles Conference and Expo

3.2 Receive & File

3.2.1 Contracts/Purchase Orders and MOUs between \$5,000 - \$250,000

3.2.2 CFO Monthly Financial Report for August/ September 2006

Items pulled for discussion

3.1.2 Contracts over \$250,000

Councilmember Paula Lantz expressed concerns as to why contracts were not up for re-bid when the amount has significantly increased. She stated that a re-bidding process would provide a competitive arena for women and minority owned businesses.

Wayne Moore, CFO, stated that the California Multiple Awards Schedule is the process that SCAG currently follows regarding contract procedures.

Mr. Moore stated that there was a need to continue and maintain a schedule of work products, therefore additional temporary staffing was needed for purposes of making deadlines until permanent staff was hired.

The motion was made(Young) to approve the contracts. Motion was SECONDED (Bone) and OPPOSED (Lantz). Motion passed.

3.1.5 Extension of Contracts for State & Federal Lobbyist until June 30, 2007

Councilmember Roberts stated that he understood the need for an extension of the Lobbyist contracts. However he recommended that the next procurement process be handled better and recommended that it be completed by the end of the fiscal year.

Motion was made (Roberts) extending contracts for State and Federal Lobbyist until June 30, 2007. Motion was SECONDED (Millhouse) and UNANIMOUSLY APPROVED.

3.1.6 Public Participation Plan

There was no discussion. The item was pulled until further notice.

4.0 **PRESIDENT'S REPORT**

4.1 Appointments

The following appointments were made:

Regional Council Members to Administration and Policy Committees

To Administration: Hon. Larry McCallon, Highland

To CEHD: Hon. Carl Morehouse, San Buenaventura

To TCC: Hon. Andy Masiel, Sr., Pechanga Tribal Council

Subregional Representatives to Policy Committees

From WRCOG to TCC: Hon. John Chlebnik, Calimesa

From OCCOG to CEHD: Hon. Jim Palmer, Tustin

Hon. Peter Herzog, Lake Forest

Maglev Task Force

Hon. Patrick Morris, San Bernardino

Water Policy Task Force

Steven Cain, Los Angeles Regional Water Quality Control Board

Dec Zinke, Alternate for Donald Kendall, Calleguas Municipal Water District

4.2 Policy Regarding Staff Communications

Colin Lennard, General Counsel, stated that the Executive Committee requested that a policy be drafted and utilized as a process to deal with the issue of staff members contacting RC and policy committee members with complaints and/or concerns. The draft policy was distributed and presented to the Regional Council. Mr. Lennard reported that the Executive Committee recommended approval of the policy with one change in the last paragraph of the document.

Councilmember Debbie Cook expressed concerns and wanted to know how complaints would be handled and whether or not the complaints could be filed anonymously. Mr. Lennard stated that complaints could be filed anonymously without violating the policy .

Motion was made (Young) to approve the policy. Motion was SECONDED (Millhouse) and UNANIMOUSLY APPROVED.

5.0 EXECUTIVE DIRECTOR'S REPORT

5.1 Report from the Executive Director

Mark Pisano reported that the month of November/December was very productive. Several projects were completed such as model development. The new model will be utilized for submittals to the Air Quality District. He stated that over the last decade representatives within the region have been working to advance the concept of state agencies utilizing regional plans to distribute states resources. That concept is taking hold and the Blueprint Planning effort is an example of this.

Mr. Pisano also reported that the only funding increase in the Governor's budget last year was resources that would be disbursed to the regional agencies to complete blueprint planning. He noted that SCAG's blueprint funding was used to refine the Compass Program and help members with starting the implementation of the Compass Program.

5.2 Executive Director's Performance Agreement July 1, 2006 to June 30, 2006

Motion was made (Young) to approve the Executive Director's Performance Agreement. Motion was SECONDED (Nowatka) and UNANIMOUSLY APPROVED.

6.0 ACTION ITEMS

6.1 2007 State and Federal Legislative Program

Don Rhodes reported that prior to the return to session of Congress and the State Legislature the Regional Council adopts a state and federal program to direct SCAG's legislative activities. The policy committees reviewed the portions of the program pertaining to their areas of interest at their November meetings.

After approval of the final program it will be prepared in its final form and distributed to members and staff of the Congress, the State Legislature, federal and state agencies, and interested parties.

Motion was made (Young) to approve the 2007 State and Federal Legislative Program. Motion was SECONDED (Ten) and UNANIMOUSLY APPROVED.

6.1 Administration Committee Report

6.1.1 Final Version of Delegation Agreement

Councilmember Toni Young, Chair, stated the Administration Committee recommended approving the final version of the Draft Delegation Agreement and authorize the Executive Director to sign the Agreement on behalf of SCAG.

Motion was made (Young) to approve the final Version of Draft Delegation Agreements. Motion was SECONDED and UNANIMOUSLY APPROVED.

6.1.2 RHNA Budget

Councilmember Young, Chair, reported that the Administration Committee recommended approving the increase of the RHNA budget by \$200,000 to continuing funding of the RHNA program.

Motion was made (Young) to approve the RHNA Budget. Motion was SECONDED and UNANIMOUSLY APPROVED.

6.2.3 Merit Pay Program – Extend Pilot Status through July 2007

Councilmember Young, chair, reported that the Administration Committee recommended approving the extension of the Merit Pay Program through July 2007.

Motion was made (Young) to approve the Merit Pay Program and Extend Pilot Status through July 2007. Motion was SECONDED and UNANIMOUSLY APPROVED.

6.2 Transportation & Communications Committee (TCC) Report

There was no report.

6.3 Community, Economic & Human Development Committee (CEHD) Report

6.3.1 RHNA Pilot Program Legislative Language

Councilmember Jon Edney stated that the CEHD Committee recommended approval of the RHNA Pilot Program language and directed staff to continue efforts to move the bill through the legislative process.

Motion was made (Edney) approving the RHNA Pilot Program Legislative Language. Motion was SECONDED (Young) and UNANIMOUSLY APPROVED.

Councilmmember Edney stated that the Draft Appeals Procedure will be presented at the next Regional Council meeting. He also stated that the CEHD Committee approved the Initial Performance Outcomes and Strategies for Land Use and Housing Chapter of the Regional Comprehensive Plan.

6.4 Energy & Environment Committee (EEC) Report

There was no report.

6.5 Communications & Membership Subcommittee Report

6.5.1 2007 General Assembly (GA) and Regional Council Retreat

Councilmember Becerra, Chair, stated that several attempts were made to combine the 2007 General Assembly and Retreat. He stated that it is not feasible at this time to combine the two. Therefore staff was directed to proceed with securing the Los Angeles Biltmore Hotel to hold the 2007 General assembly scheduled for May 3, 2007. In addition staff was also directed to move forward with securing the Lake Arrowhead Conference Center for the annual two-day retreat to be held in the month of June.

Councilmember Becerra reported that the Communications and Membership Task Force has been involved in a long process of developing a leadership training program. He announced that USC was the successful candidate for the program.

7.0 INFORMATION ITEMS

7.1 Highlights of the Upcoming 2006 State of the Region

Ping Chang, Program Manager, presented highlights of the upcoming 2006 State of the Region. The State of the Region, reports annually on a series of indicators about our region's performance. A primary objective is to assist members of the Regional Council assess how the region is performing in meeting the goals in the Regional Comprehensive Plan and Guide. Information on the region's performance has also been widely disseminated to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.

7.2 Infrastructure Bonds: Implementation and Impacts

The issues related to the implementation and possible impacts of the infrastructure bonds passed by the voters in the November election were presented. Each Policy Committee received a report regarding the State Bonds in their respective areas.

8.0 FUTURE AGENDA ITEMS

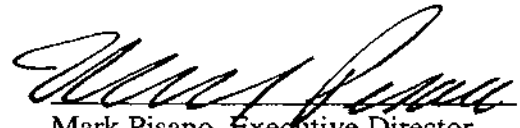
- * SCRAA report
- * Structure of meeting agenda and day

9.0 ANNOUNCEMENTS

There were no announcements.

10.0 ADJOURNMENT

The Regional Council adjourned in memory of Andy Malakates. The next meeting of the Regional Council is scheduled for January 4, 2007 at the SCAG offices in downtown Los Angeles.

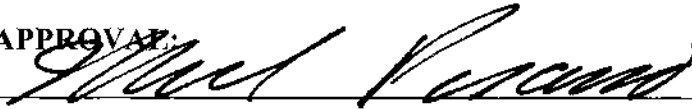


Mark Pisano, Executive Director

REPORT

DATE: January 4, 2007
TO: Administration Committee and Regional Council
FROM: Wayne Moore, Chief Financial Officer
(213) 236-1804 moore@scag.ca.gov
SUBJECT: Resolution #07-482-1 Authorizing SCAG to accept Blueprint Planning Grant Funds

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Adopt Resolution #07-482-1 authorizing SCAG to accept \$975,000 in Caltrans Year 2 Blueprint Planning grant funds and amend the SCAG Overall Work Plan (OWP) to include the funds.

BACKGROUND:

In November the Regional Council authorized SCAG to submit a renewal grant application to Caltrans for Year Two Blueprint funding to continue regional planning activities aimed at improving statewide mobility and conducting intensive comprehensive scenario planning. Caltrans made available approximately \$4 million statewide for second year funding during Fiscal Year (FY) 2006-2007. SCAG applied for \$1,100,000 in funding and has been awarded \$975,000.

In January 2006 SCAG was awarded \$1,258,450 in Blueprint Grant funds out of approximately \$5 million made available to all Metropolitan Planning Organizations (MPOs) by Caltrans. Since that time SCAG has undertaken several transit oriented development (TOD) and general plan update demonstration projects with various cities and subregions in the region. In addition, SCAG has provided a long range housing projection (2005 to 2035) in the Integrated Growth Forecast and has defined local household growth (occupied housing units) for the 2005 to 2014 Regional Housing Needs Assessment planning period at the jurisdictional level.

Concurrently, SCAG has developed new tools for assessing TOD impact on growth, development capacity/density analysis and evaluation data for the 2007 RTP. In addition, SCAG has supported several key subregional studies on mixed use potential, parking and smart growth and refinement of Compass Blueprint 2% Strategy areas in key locations across the region's transit network. Work will also begin this fiscal year on evaluating Compass benefits, and forecasting and demonstration project work will continue.

The Year 2 Blueprint Grant will fund additional Compass demonstration projects throughout the SCAG region and will also focus on measuring and evaluating Compass benefits and the impact on the environment. As with the first year Blueprint Grant, the SCAG second-year program will also stress our continued commitment to public engagement throughout our processes.

FISCAL IMPACT:

The total second year Blueprint Grant project value is \$1,218,750 of which SCAG will receive \$975,000 (80%) in funding for staff and consultant work. The remaining \$243,750 (20%) is required local in-kind or cash match which SCAG will obtain from commissions, cities, and other project partners throughout the region.

REPORT

Reviewed by:


Division Manager

Reviewed by:

Department Director

Reviewed by:


Chief Financial Officer

**RESOLUTION #07-482-1 OF THE SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
ACCEPTING CALIFORNIA REGIONAL BLUEPRINT PLANNING
PROGRAM GRANT FUNDS AND AMENDING THE FY 2006-2007 OWP
RELATED THERETO**

WHEREAS, the Southern California Association of Governments (SCAG) is the Metropolitan Planning Organization (MPO) for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial;

WHEREAS, SCAG was awarded \$1,258,451 in Fiscal Year (FY) 2005-2006 for the first year of the California Regional Blueprint Planning Grant Program ("Blueprint Planning Grant") designed to support related statutory requirements, programs and guidelines that address the need for integrated planning;

WHEREAS, the FY 2006-2007 California State Budget includes approximately \$4 million in statewide Blueprint Planning Grant funds available only to MPOs;

WHEREAS, each Blueprint Planning Grant awarded by the State will require at least a 20% cash or in-kind match financed with non-federal funds;

WHEREAS, SCAG applied for \$1,100,000 in grant funds in November 2006; and

WHEREAS, Caltrans has awarded to SCAG \$975,000 in grant funds for the second year of the project, which will require \$243,750 in local matching funds.

NOW, THEREFORE, BE IT RESOLVED by the Regional Council of the Southern California Association of Governments as follows:

1. The Regional Council authorizes SCAG to accept and manage the second year Blueprint Planning Grant, to collaborate with other stakeholders in the grant program, and to implement the grant through the FY 2006-2007 OWP as amended.
2. The Regional Council approves and authorizes SCAG to amend the FY 2006-2007 OWP to include the Blueprint Planning Grant funds in the Fiscal Year 2006-2007 OWP;
3. SCAG pledges to secure cash or in-kind services, or both, for the matching funds necessary to receive Blueprint Planning Grant funds; and
4. The SCAG Executive Director or in his absence, the Deputy Executive Director, is hereby designated and authorized by the Regional Council to execute all related agreements and documents on behalf of the Regional Council regarding the receipt and implementation of the Blueprint Planning Grant funds.

APPROVED AND ADOPTED by the Regional Council of the Southern California Association of Governments at a regular meeting this 4th day of January, 2007.

YVONNE B. BURKE
President
Supervisor, County of Los Angeles

Attested by:

Mark Pisano
Executive Director

Approved as to form:

Karen Tachiki
Chief SCAG Legal Counsel

REPORT

DATE: January 4, 2007
TO: Regional Council
FROM: Alan Thompson, Senior Regional Planner, 213-236-1940 thompson@scag.ca.gov
SUBJECT: Use of SCAG Logo for Caltrans Transit Security Conference

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Authorize Caltrans to use SCAG logo as part of seminar sponsorship.

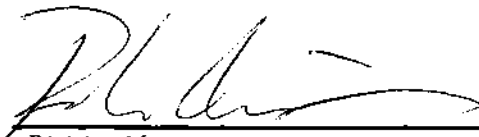
BACKGROUND:

Caltrans requested SCAG assist in the sponsorship of a Mass Transit Security Seminar to be held at the Long Beach Convention Center on January 25, 2007. The sponsorship is for the use of the SCAG logo in the brochure and associated seminar material.

FISCAL IMPACT:

No fiscal impact. Use of the logo is without charge, and Caltrans is not requesting any SCAG funds to assist in supporting the seminar.


Reviewed by:


Division Manager

Reviewed by:


Department Director

Reviewed by:


Chief Financial Officer



Mass Transit Initiative

"Mass Transit Security Seminar"



Invitation

The California Governor's Office of Homeland Security Exercise Branch (CA OHSEB) and California Department of Transportation (Caltrans) invite you to attend the "Mass Transit Security" Seminar scheduled on **Thursday, January 25, 2007** to kick off the state-wide Mass Transit Initiative.

Purpose of the Seminar:

- Bring California transit agencies (bus & passenger rail) together
- Discuss common issues and concerns regarding transit security
- Presentation on After Action Report (AAR) from 2006 Caltrans Response & Recovery Workshops
- Learn what is being done at the state and Federal level regarding transit security and funding
- Intelligence & Transit – Making the Connection

This one-day Seminar will consist of key speakers, a discussion panel and breakout sessions.

This will be the first in a series of exercises coordinated/designed by the Office of Homeland Security and Caltrans in an effort to improve capabilities to prevent or deter terrorist actions targeting mass transit systems, as well as improve response and recovery efforts following terrorist attacks or catastrophic events.

Who should attend?:

Transit Security professionals from all public transit agencies (bus & passenger rail), Federal, State and local agency transit security representatives.

Conference Details:

Date: Thursday, January 25, 2007
Time: 8:30 am - 4:00 pm (registration begins at 8:00 am)
Location: Long Beach Convention Center
300 E. Ocean Blvd
Long Beach, CA 90802

Cost:

Registration **FREE** for all participants. A working lunch will be provided at no cost.

Area Hotels:

See attached info

<http://www.chamberhub.com/cgi/foxweb.dll/wlx/dir/wlxdirectn?catid=1209&city=&lcZip=&client=LONGBC>

Please RSVP by Friday, January 12, 2007 @ 5:00 pm

Contact: Dave Torgerson at (916) 322-1740 or david.torgerson@hs.ca.gov



2006 Mass Transit Security Seminar

Background

Transit is a critical, high risk and high consequence national asset. Everyday transit provides mobility to millions of Americans in our most densely populated urban areas and serves the largest economical and financial centers in the nation. In one month, transit moves more passengers than U.S. airlines move in a year. Transit is designed and operated as an open environment—it is by its very nature a high risk, high consequence target for terrorists. Nationally, more than 9.5 billion passengers a year ride our transit systems. Transit subways travel under key government buildings, business centers, and harbors.

The U.S.D.O.T Office of Intelligence and Security estimated that in the 1990's transit was the target of **20 to 35 percent of terrorist attacks worldwide**. Worldwide, transit has been a frequent terrorist target, including bombings in the London and Paris subways, the sarin gas attack in Tokyo, the recent train bombings in India and bus bombings in Israel.

The transportation critical infrastructure must be secured to protect the national economy, the traveling public, and our way of life.

Mass Transit Security Seminar

The California Governor's Office of Homeland Security and the California Department of Transportation (Caltrans) will host the first statewide "Mass Transit Security" Seminar to kick off the Mass Transit Initiative. The seminar will take place in Long Beach, CA on **Thursday, January 25, 2007**.

The Mass Transit Initiative seeks to provide a series of exercises and technical assistance for the Mass Transit Functional Area addressing the major mass transportation systems within the State of California. The goals of this initiative are to:

- improve and exercise the capability to prevent or deter terrorist actions at mass transit systems;
- improve and exercise the capability to respond and recover from catastrophic events;
- integrate transit resources with public response to threatened or actual terrorist actions

This Seminar will bring operations and security professionals from all public transportation agencies together with State and Federal industry professionals to discuss common concerns and problems related to transit security and funding.

The Seminar will include a presentation on the After Action Report (AAR) developed following the Caltrans Response and Recovery Workshops in October of 2006. The issues identified will be discussed and addressed during this and future conferences. Caltrans will be providing technical assistance to smaller transit agencies in rural areas. OHS and Caltrans will work to integrate smaller transit agencies into future exercises.

The focus will be to identify common issues regarding transit security, as well as best practices and lessons learned. This Seminar will be the first in a series of exercises, to include a Workshop, tabletop exercises (TTX) and future full scale exercises (FSE), including opportunities for transit agencies to participate in the state-wide Golden Guardian Exercise. These exercises will focus on integrating transit agencies, first responder agencies and intelligence sources to improve networking and working relationships to enhance future prevention, protection, response and recovery efforts.

Conference Info

Date: Thursday, January 25, 2007
Time: 8:00 a.m. – 4:00 p.m.
Location: Long Beach Convention Center
300 E. Ocean Blvd
Long Beach, CA 90802

Conference Topics

Overview of OHS Training & Exercise Division

- How OHS can assist with exercises and training opportunities

Overview of state-wide Mass Transit Initiative

- Exercise series designed to improve and exercise the capability to prevent or deter terrorist actions at mass transit systems and the capability to respond and recover from catastrophic events.

Intelligence and Transit - Making the Connection

- Overview of the State Terrorism Threat Assessment Center (STTAC) and the Regional Terrorism Threat Assessment Centers (RTTAC)

Transportation Security Administration (TSA)

- Surface Transportation Security Inspector Program

State and Federal Transit Funding

- Discussion panel including state and federal agencies to discuss future transit funding
- Presentation regarding Proposition 1b

Breakouts

- Transit agencies and representatives from various Federal, state and local agencies to meet regionally to network and discuss issues related to transit security

MEMO

DATE: January 4, 2007
TO: Administration Committee
Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: Contracts and Purchase Orders between \$5,000 - \$250,000



RECOMMENDED ACTION:

Information Only

BACKGROUND:

SCAG executed the following Contract(s) between \$5,000 and \$250,000

- Caliper Corporation \$ 85,000
Model Network Database Management System – Phase II
- Dr. Konstadinos G. Goulias \$ 30,000
Activity Based Travel Demand Model Feasibility Study
- Meyer, Mohaddes Associates \$113,040
South Bay Goods Movement
- Raju Associates, Inc. \$ 22,000
North Los Angeles Modeling Maintenance

SCAG executed the following Purchase Order(s) between \$5,000 and \$250,000

- Act 1 Personnel Services \$20,500.00
Temporary Staffing for Business Ops - CFO
- AT&T \$ 7,918.49
Video Conferencing Hardware, Maintenance, and Support
- Congressional Quarterly, Inc. \$ 8,000.00
1 Year Subscription
- Pace Lithographers, Inc. \$25,380.30
Printing of the State of the Region 2006 Report

MEMO

- Sapphire Technologies \$36,000.00
Temporary Staffing – Sr. Program Analyst
- Sapphire Technologies \$37,000.00
Temporary Staffing – ISD Vacancy
- UCLA Extension Public Policy \$10,000.00
2006 Arrowhead Symposium Sponsorship
- Zucca Ristorante \$ 5,576.00
SCAG Staff Holiday Luncheon

FISCAL IMPACT:

None. Funding is available.

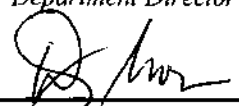
Reviewed by:

Division Manager

Reviewed by:

Department Director

Reviewed by:



Chief Financial Officer

CONSULTANT CONTRACT

Consultant: Caliper Corporation

Scope: The Southern California Association of Governments (SCAG) serves as the Metropolitan Planning Organization (MPO) for Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. SCAG is the primary agency responsible for the development and maintenance of travel demand forecasting models for the SCAG Region.

SCAG has recently completed the calibration and validation of a new Regional Travel Demand Model. The new model will be used for quantitative analysis for the Regional Transportation Plan (RTP), the Regional Transportation Improvement Program (RTIP), and the Air Quality Management Plan (AQMP).

Since SCAG's new Regional Model is being implemented under the TransCad software, the regional highway and transit networks need to be converted to the TransCad platform. In Phase I of the Model Network Database Management System project, SCAG completed the development of the master network database structure, conducted a feasibility test, and recommended future improvements.

The purpose of this project, Phase II of the Model Network Database Management System, is to ensure the accuracy and consistency among highway and transit networks used in RTP, RTIP, and AQMP scenarios across various horizon years.

Caliper Corporation will review and incorporate the recommendations from Phase I of the project into Phase II. As part of the Model Network Database Management System, Caliper Corporation will provide on-going TransCAD software training and technical support; therefore SCAG staff can use the TransCAD software and the tools developed from the project more efficiently.

Caliper Corporation will also need to work with the SCAG's GIS staff to integrate existing database into the network. The highway and transit networks developed through the application of the software should be compatible with the SCAG's new modeling software and should be accessible via other widely used GIS software like Arcview.

SCAG is in the process of purchasing the GDT network. Caliper corporation will develop a methodology to incorporate updates received from the GDT vendor on a regular basis. The updated network needs to be tested and validated.

Caliper Corporation will develop a method for creating a comprehensive database that encompasses both the regional highway and transit networks. The method should be thoroughly tested against every conceivable RTP/ RTIP projects. Any errors will be appropriately corrected.

Contract Amount: Total not to exceed \$85,000
 Caliper Corporation (prime) \$75,400
 Eco & Associates, Inc. (subcontractor) \$ 9,600

Contract Period: Notice to Proceed through June 30, 2007

Work Element: 06-070.SCGC06 \$85,000 Funding Sources: Consolidated Planning Grant – FHWA & TDA

Request for Proposal: SCAG staff notified 164 pre-qualified firms of the release of RFP No. 07-034. The RFP was also advertised on Lawley Publications' website, the Planning Magazine's website, and posted on SCAG's bid management system. One proposal was received in response to the solicitation:

Caliper Corporation (1 subcontractor) \$85,000

Selection Process: The Proposal Review Committee (PRC) evaluated the one proposal in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations.

The PRC was comprised of the following individuals:

Chao Wei, Senior Transportation Engineer, Caltrans District 7
 Deng Bang Lee, Manager of Modeling Division, SCAG
 Mike Ainsworth, Lead Modeling Analyst, SCAG
 Hsi-Hwa Hu, Modeling Analyst, SCAG

Basis for Selection: Each PRC member independently reviewed the proposal submitted by Caliper Corporation. Caliper's proposal met the requirements described in the RFP. The PRC committee recommended Caliper Corporation for the contract award because of the firm's qualifications to fulfill the requirements of the project.

Caliper Corporation completed Phase I of the Model Network Database Management System. The level of Caliper's work on this project is outstanding. For the Phase I project, Caliper developed an early version of network and database management tool that solves many of the data management problems related to coding multi-year, multi-project and multi-scenario networks.

Since the master network tool works exclusively in the TransCAD environment, very few consulting firms possess the knowledge of both TransCAD software and the concept of master network database, which is essential to this project. Caliper Corporation is the developer of the TransCad software and has completed Phase I of the Model Network Database Management System. This company is well qualified to work on the Phase II project.

In addition to delivering all of the project requirements specified in the RFP, Caliper Corporation agrees to assist SCAG in further developing and refining the master network tool to match SCAG's needs more fully, enhancing the data on which the new model is based, and assisting SCAG in learning the TransCAD software.

CONSULTANT CONTRACT

Consultant: Dr. Konstadinos G. Goulias

Scope: The Southern California Association of Governments (SCAG) serves as the Metropolitan Planning Organization (MPO) for Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. The Region encompasses a population of more than 16 million people in an area exceeding 38,000 square miles. As the MPO for the Region, SCAG is responsible for transportation planning and programming for the six county Southern California area. SCAG collaborates with the California Department of Transportation, county transportation commissions, and other agencies in the Region that perform transportation planning and analyses.

SCAG is the primary agency responsible for the development and maintenance of travel demand forecasting models for the SCAG Region. SCAG has been developing and improving these travel demand forecasting models since 1967. SCAG applies the models to provide state of the practice quantitative analysis for the Regional Transportation Plan (RTP), the Regional Transportation Improvement Program (RTIP), and the Air Quality Management Plan (AQMP). The Model is also used to evaluate major transportation proposals within the Region. The Regional Model is typically updated and validated for each cycle of the RTP. Most recently, SCAG, working together with its CTC partners, has undertaken an ambitious Model Improvement Program to upgrade the Regional Travel Demand Model. SCAG's on-going Model Improvement Program focuses on both passenger carrying vehicles (light and medium duty) and heavy-duty trucks. Activity based models are considered the state-of-the-art in travel demand modeling. Long preferred over the standard four-step models by academia, they have recently been implemented in places such as New York City; San Francisco; Portland, Oregon; and Columbus, Ohio. The focus of activity based models is on people who are performing activities which create the need for travel. The objective of this project is to explore the feasibility of activity based travel demand modeling for Southern California. This project will evaluate the benefits of an activity based modeling approach and determine if its success could be replicated in the SCAG region. The selected Consultant will conduct a literature review for the activity based modeling, review current applications from other MPOs, and develop strategies and scope of work for implementing an activity based travel demand model. The product of the project would be summary of findings from literature review, report of current MPO applications, and strategies for implementing the activity based travel demand model. The Final Report will contain the benefits of the project and the difficulties of implementing activity based models to the SCAG region. Also included will be an estimation of the total

cost of implementing an activity based model, a schedule, and data requirements.

Contract Amount: **Total not to exceed** **\$30,000**

Contract Period: Notice to Proceed through June 30, 2007

Work Element: 07-070.SCGC8 \$30,000 Funding Sources: Consolidated Planning Grant – FHWA

Request for Proposal: SCAG staff notified 135 pre-qualified firms of the release of RFP No. 06-046. The RFP was also advertised on Lawley Publications' website, the Planning Magazine's website, and posted on SCAG's bid management system. The following proposal was received in response to the solicitation:

Konstadinos G. Goulias, Ph.D. \$30,000

Selection Process: The Proposal Review Committee (PRC) evaluated the proposal in accordance with the criteria set in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations.

The PRC was comprised of the following individuals:

Keith Killough, Director on Information Services, SCAG
His-Hwa Hu, Modeling Analyst, SCAG
Guoxiong Huang, Senior Modeling Analyst, SCAG
Michael Ainsworth, Lead Modeling Analyst, SCAG
Chao Wei, Senior Transportation Engineer, Caltrans District 7

Basis for Selection: Each PRC member independently reviewed the proposal submitted by Dr. Konstadinos G. Goulias. Dr. Goulias' proposal meets the requirements described in the RFP. The PRC committee recommended Dr. Konstadinos G. Goulias for the contract award because of his firm's strong qualifications to fulfill the requirements of the project. Dr. Goulias is an expert in many aspects of transportation modeling and is active on several national modeling committees/panels. He has extensive knowledge and experience in activity based travel demand modeling concept and application. He is willing and able to meet the highly demanding requirements of this project within a very limited budget. In addition, Dr Goulias has a good understanding of the SCAG Region and the potential modeling challenges the Region faces. He is based in Southern California and should be very accessible throughout the process. He is committed to exploring for SCAG the feasibility of an activity based travel demand model for the Region. He will develop strategies for implementing such models in the SCAG region as well as building the evaluation framework.

CONSULTANT CONTRACT

Consultant: Meyer, Modhaddes Associates

Scope: The South Bay Cities Council of Governments (SBCCOG) seeks to conduct a study to help the SBCCOG and its cities make informed choices as to strategies for mitigating current and future impacts resulting from goods movement through the South Bay subregion as well as support South Bay's economic interests by improving the efficiency and reliability of the goods movement system. In addition, the SBCCOG wishes to gain an understanding of the implications for the South Bay of goods movement strategies being pursued in the Gateway Cities' subregion and elsewhere in Los Angeles County, the region, and State.

The consultant will establish a baseline for current goods movement conditions in the SBCCOG subregion through numerous tasks; analyze truck trip generators in the subregion, and create maps related to existing goods movement infrastructure and freight flows; investigate issues related to infrastructure; compile and compare data from multiple sources to establish the number, sizes, types, and regional clustering of warehouse/distribution facilities in the South Bay; and conduct two focus groups to obtain information on current goods movement challenges.

The consultant will identify potential projects that could affect the South Bay in terms of congestion, air quality, and other measures. The consultant will also create a portfolio listing goods movement projects that will maintain or improve the economic vitality of the South Bay subregion. It will also identify and prioritize projects and policies for the subregion over the five-to-ten year horizon so that proposed improvements will be well-positioned to complete plans, specifications, estimates, and other planning documents necessary for inclusion in the State Transportation Improvement Program (STIP) and for consideration in the Los Angeles County Metropolitan Transportation Authority's (LACMTA) Call-for-Projects process.

Contract Amount:	Total not to exceed	\$113,040
	Meyer, Mohaddes Associates (prime)	\$83,090
	The Tioga Group, Inc. (subcontractor)	\$29,950

Contract Period: November 20, 2006 through June 30, 2007

Work Element:	07-130.SBCC1	\$113,040	Funding Sources: Consolidated Planning Grant – FTA
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Request for Proposal: SCAG staff notified 433 pre-qualified firms of the release of RFP No. 07-050. The RFP was also advertised on Lawley Publications' website, the Planning Magazine's website, and posted on SCAG's bid management system. The following one proposal was received in response to the solicitation:

Meyer, Mohaddes Associates (1 subcontractor) \$114,935

Selection Process: The Proposal Review Committee (PRC) evaluated the one proposal in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations. Interviews were held with the one offeror.

The PRC was comprised of the following individuals:

Jacki Bacharach, Executive Director, SBCCOG
Walter Siembab, Special Projects, SBCCOG
Don Camph, Transportation Consultant, SBCCOG
Farrokh Abolfathi, Principal Civil Engineer, City of Carson
Wendell Johnson, City Engineer, City of Lomita
Kathleen Wanda, Sr. Transportation Planner, Caltrans Dist. 7
Philbert Wong, Associate Transportation Planner, SCAG
Mike Jones, Assistant Transportation Planner, SCAG

Basis for Selection: The PRC committee recommends Meyer, Mohaddes Associates for the contract award because of the firm's qualifications to fulfill the requirements of the project. Meyer, Mohaddes Associates is willing and able to meet the demanding requirements of this project within the determined budget and schedule.

Meyer, Mohaddes Associates has substantial experience with projects requiring traffic counts, and has performed a considerable amount of goods movement modeling work in the past.

They are very knowledgeable about key goods movement issues facing the South Bay subregion. They have performed many similar studies including the precursor to this study titled "South Bay Truck Movement/Freight Operations Study" as well as other specialized goods movement studies along with their subcontractor, the Tioga Group, which has conducted multiple goods movement studies for SCAG.

Applicable studies involving Meyer, Mohaddes Associates include participation in the development of the South Bay Regional Comprehensive Plan-Phase II, an analysis for Gateway Cities I-710 Mobility and Goods Movement, and the Gateway Cities Trucking Study among many others.

They are qualified to fulfill the overall objective of this study, which is to help the SBCCOG and its cities make informed choices to mitigate current and future negative impacts resulting from goods movement while supporting the subregion's economic interests by improving the efficiency and reliability of goods movement and gaining an understanding of strategies being pursued in the County, region, and State.

REPORT

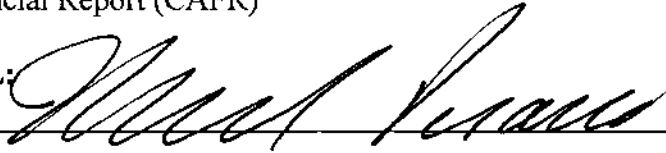
DATE: January 4, 2007

TO: Regional Council and Administration Committee

FROM: Wayne Moore

SUBJECT: Comprehensive Annual Financial Report (CAFR)

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Receive and File

BACKGROUND:

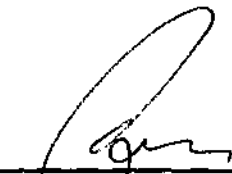
Pursuant to the Single Audit Act, SCAG is required to have an annual audit performed of its financial statements. The audit for the year ended June 30, 2006 was conducted by the firm of Vasquez & Co.

Vasquez & Co. have completed the audit and issued an unqualified opinion. Their opinion states that the financial statements present fairly the respective financial position of SCAG's governmental activities, each major fund, and the aggregate remaining fund information of SCAG as of June 30, 2006, and the respective changes in financial position thereof in conformity with U.S. generally accepted accounting principles.

FISCAL IMPACT:

Fees for the audit engagement are included in the fiscal year budget.

Reviewed by:



Division Manager

Reviewed by:



Chief Financial Officer

MEMO

DATE: January 4, 2007
TO: Administration Committee and Regional Council
FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov
SUBJECT: CFO Monthly Report for November/December 2006

BACKGROUND:

Accounting:

During the months of November and December, the Accounting division initiated the following improvement projects:

1. Treasury Operations:
 - a. Utilizing "Check 21" (i.e., scanning incoming checks on site and transmitting them electronically to the bank);
 - b. Employing a check signing machine for checks less than \$10,000;
 - c. Improving investment returns by using a sweep account at Bank of the West and moving surplus cash more frequently to the LAC pool; and
 - d. Developing anti-fraud measures by using "Positive Pay," (i.e., providing the bank with a list of check numbers and amounts issued so they can stop any check presented for payment that is not on the list).
2. Investigation of alternative payroll processing services. We are comparing our current provider, ADP, with alternative providers.
3. Exploring our options with respect to SAP, (i.e., upgrade, go on extended maintenance, or get a new software system).

The Audit Committee will be provided more information at the February 2007 meeting regarding our analysis of GASB 45 reporting and funding issues. We are developing policies and proposals with respect to retiree medical benefits and fine-tuning the actuarial study.

The CAFR was distributed the week of December 18, 2006 for the January 4, 2007 meeting.

We submitted an application to the GFOA this month for the Certificate of Achievement for Excellence in Financial Reporting for our FY06 CAFR.

MEMO

Budget and Grants:

During November and December, the Budget and Grants division accomplished the following: Amendment #2 to the FY07 OWP was approved by Caltrans and submitted to FHWA for final authorization; continued preparation of Amendment #3 scheduled for a late, January submittal; finalized the Blueprint Planning Grant resolution authorizing the new grant award; completed compilation of the FY07-08 OWP draft submittals, conducted internal review to further refine the FY07-08 program work proposals; and began preparation of the FY06-07 2nd Quarterly Progress Report.

Contracts:

During the month of November the Contracts division executed and issued a Notice to Proceed for five contracts, executed two Contract Amendments, executed three Continuing Cooperative Agreements and one Amendment for the Subregions, and posted six RFP's. We also began the transition of Purchasing activities from the Business Operations Division for the multi-year Photo Copier re-procurement and the Records Retention Implementation Project.

FISCAL IMPACT:

There is no fiscal impact.


Reviewed by:

Division Manager

Reviewed by:

Department Director

Reviewed by:



Chief Financial Officer

Southern California Association of Governments
Total Budget vs. Actual Expenditures and Encumbrances
For the Five Months Ending November 30, 2006

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d Forecasted		e Expenditures	f Encumbrances	(d-e-f) g Budget Balance		h % Budget Remaining
				Budget	Budget			Budget	Balance	
Salaries and Fringe Benefits	\$15,293,452	(\$46,371)	\$ 436,377	\$15,683,458		\$5,351,884	\$ 226,676	\$10,104,898		64%
Consultants & Professional Services	17,799,082	(191,285)	\$ 44,500	17,652,297		1,762,401	14,172,913	\$1,716,983		10%
Sub Region Consultants & Staff Projects	4,268,112	(175,000)	\$ 22,592	4,115,704		16,542	3,840,099	\$259,063		6%
Direct & Indirect Costs	5,379,519	(87,300)	\$ (200,000)	5,092,219		1,602,788	1,351,542	\$2,137,889		42%
All Other	3,875,094	118,707	\$ -	3,993,801		272,312	-	\$3,721,489		93%
Total	\$ 46,615,259	\$ (381,249)	\$ 303,469	\$ 46,537,479		\$ 9,005,927	\$ 19,591,230	\$ 17,940,322		39%

- 1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.
- 2) OWP Admin Amend 1 approved by Caltrans on August 15, 2006.
- 3) OWP Admin Amend 2 approved by Caltrans on December 7, 2006, awaiting FHWA approval.
- 4) General Fund budget changes due to RHNA staff and travel.

Southern California Association of Governments
General Fund Budget vs. Actual Expenditures and Encumbrances
For the Five Months Ending November 30, 2006

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d		e Expenditures	f Encumbrances	(d-e-f) g		h % Budget Remaining
				Forecasted Budget	Budget Balance					
Salaries and Fringe Benefits	\$100,000	\$ 90,000	\$ 200,000	\$ 390,000	\$166,437	\$ -		\$223,563	57%	
Consultant and Professional Services	513,050	-	-	513,050	65,491	302,400		\$145,159	28%	
Regional Council (RC) Support	304,800	35,000	-	339,800	63,055	10,377		\$266,368	78%	
RC Special Projects and Sponsorships	109,800	-	-	109,800	512	73,949		\$35,339	32%	
All other Budget Categories	493,953	(125,000)	(200,000)	168,953	10,081	10,000		\$148,872	88%	
Total	\$ 1,521,603	\$ -	\$ -	\$ 1,521,603	\$ 305,576	\$ 396,726		\$ 819,301	54%	

1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.

2) General Fund budget changes due to RHNA staff and travel.

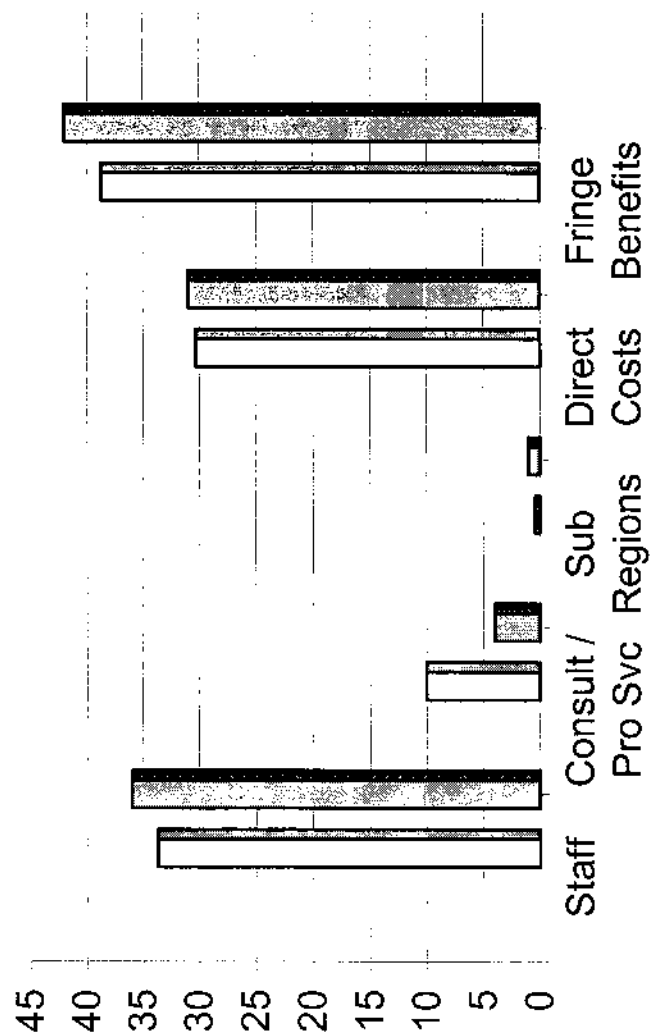
**Budget v. Actual and Encumbrances
Through November - 42% of Year**

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Nov	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	10,805,287	11,629	10,616,916	3,488,355	7,128,561	33%	-	3,488,355	7,128,561	33%
Temporary Help	395,920	(58,000)	337,920	202,930	134,990	60%	226,676	429,606	(91,686)	127%
	11,001,207	(46,371)	10,954,836	3,691,285	7,263,551	34%	226,676	3,917,961	7,036,875	36%
Consultant / Professional Services										
SCAG Consultant	17,254,082	(186,785)	17,067,297	1,720,272	15,347,025	10%	13,988,732	15,709,004	1,358,293	92%
Legal Services	535,000	-	535,000	40,129	494,871	8%	176,681	216,810	318,190	41%
Professional Services	10,000	(4,500)	5,500	2,000	3,500	36%	7,500	9,500	(4,000)	173%
	17,799,082	(191,285)	17,607,797	1,762,401	15,845,396	10%	14,172,913	15,935,314	1,672,483	91%
Sub Regions										
Subregional Consultant	3,021,696	(73,000)	2,948,696	16,542	2,932,154	1%	2,722,585	2,739,127	209,569	93%
Subregional Staff Projects	1,246,416	(102,000)	1,144,416	0	1,144,416	0%	1,117,514	1,117,514	26,902	98%
	4,268,112	(175,000)	4,093,112	16,542	4,076,570	0%	3,840,099	3,856,641	236,471	94%
Direct Costs										
Internet Access Fees	3,000	-	3,000	917	2,083	31%	1,963	2,880	120	96%
Software Support	506,363	(22,000)	484,363	60,951	423,412	13%	28,969	89,920	394,443	19%
Hardware Support	57,000	-	57,000	14,939	42,061	26%	22,491	37,430	19,570	66%
Repair - Maintenance	0	-	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	-	30,000	24,020	5,980	80%	5,503	29,523	477	98%
Office Rent - Main Office	1,200,807	-	1,200,807	537,433	663,374	45%	557,666	1,095,099	105,708	91%
Office Rent - Satellite Office	56,000	-	56,000	23,472	32,528	42%	25,493	48,965	7,035	87%
Equipment Leases	511,247	-	511,247	193,976	317,271	38%	274,046	468,022	43,225	92%
Equipment Repairs	34,730	-	34,730	4,840	29,890	14%	9,612	14,452	20,278	42%
Insurance	183,985	-	183,985	178,626	5,359	97%	-	178,626	5,359	97%
Payroll and Bank Process Fee	34,500	-	34,500	9,684	24,816	28%	4,200	13,864	20,636	40%
Office Supplies	115,500	-	115,500	39,776	75,724	34%	71,379	111,155	4,345	96%
Office Maintenance	-	-	-	-	-	0%	-	-	0	0%
Small Office Purchase	496,095	2,700	498,795	79,237	419,558	16%	21,385	100,622	398,173	20%
Telephone Charges	90,526	-	90,526	24,584	65,942	27%	419	25,003	65,523	28%
Postage and Delivery	82,000	-	82,000	30,108	51,892	37%	40,067	70,175	11,825	86%
SCAG Memberships	97,814	-	97,814	65,104	32,710	67%	-	65,104	32,710	67%
Professional Memberships	10,980	-	10,980	2,811	8,169	26%	849	3,660	7,320	33%
Resource Materials and Subs	43,550	-	43,550	20,662	22,888	47%	66,595	87,257	(43,707)	200%
Depreciation - Furniture	5,000	-	5,000	4,831	169	97%	-	4,831	169	97%
Depreciation - Computer	40,000	-	40,000	18,883	21,117	47%	-	18,883	21,117	47%
Amortization Lease	0	-	0	956	(956)	0%	-	956	(956)	0%
Capital Outlay	44,000	-	44,000	-	44,000	0%	-	0	44,000	0%
Recruitment Notices	25,000	-	25,000	6,863	18,137	27%	24,203	31,066	(6,066)	124%
Public Notices	65,000	-	65,000	1,022	63,978	2%	-	1,022	63,978	2%
Staff Training	181,000	37,500	218,500	83,038	135,462	38%	68,077	151,115	67,385	69%
RC & Committee Meetings	22,000	-	22,000	5,786	16,214	26%	9,940	15,726	6,274	71%
RC Retreat	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%

**Budget v. Actual and Encumbrances
Through November - 42% of Year**

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Nov	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Other Meeting Expense	46,500	5,000	51,500	5,969	45,531	12%	2,195	8,164	43,336	16%
Miscellaneous	168,583	-	168,583	8,816	159,767	5%	4,055	12,871	155,712	8%
RC Meeting Stipends	130,000	-	130,000	42,655	87,345	33%	-	42,655	87,345	33%
Letter of Credit Interest	75,000	-	75,000	0	75,000	0%	-	0	75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	450	550	45%	-	450	550	45%
Cash Contributions to Projects	346,839	(125,000)	221,839	0	221,839	0%	-	0	221,839	0%
Printing	190,000	4,500	194,500	6,153	188,347	3%	38,486	44,639	149,861	23%
Travel	305,400	10,000	315,400	80,216	235,184	25%	-	80,216	235,184	25%
Travel - Lod > Per Diem	3,000	-	3,000	813	2,187	27%	-	813	2,187	27%
Travel - Event Registration	28,800	-	28,800	24,705	4,095	86%	-	24,705	4,095	86%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	-	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	350	91,450	0%	13,449	13,799	78,001	15%
	5,379,519	(87,300)	5,292,219	1,602,788	3,689,431	30%	1,351,542	2,954,330	2,337,889	56%
Fringe Benefits										
Vacation Accrual Reconciliatio	-	-	-	0	0	0%	-	0	0	0%
Severance Pay	-	-	-	0	0	0%	-	0	0	0%
Sick Leave Payback	-	-	-	0	0	0%	-	0	0	0%
Compensation Awards	-	-	-	0	0	0%	-	0	0	0%
Retirement - PERS	1,958,949	-	1,958,949	724,087	1,234,862	37%	-	724,087	1,234,862	37%
Retirement - PARS	58,045	-	58,045	29,605	28,440	51%	-	29,605	28,440	51%
Health Insurance	1,185,855	-	1,185,855	293,150	892,705	25%	-	293,150	892,705	25%
Dental Insurance	117,067	-	117,067	37,152	79,915	32%	-	37,152	79,915	32%
Vision Insurance	39,159	-	39,159	10,454	28,705	27%	-	10,454	28,705	27%
Life Insurance	95,000	-	95,000	27,269	67,731	29%	-	27,269	67,731	29%
Medical & Dental Cash Rebat	240,000	-	240,000	202,514	37,486	84%	-	202,514	37,486	84%
Medicare Tax	157,977	-	157,977	53,081	104,896	34%	-	53,081	104,896	34%
Tuition Reimbursements	5,000	-	5,000	1,000	4,000	20%	-	1,000	4,000	20%
Bus Passes	23,250	-	23,250	5,081	18,169	22%	-	5,081	18,169	22%
Carpool Reimbursements	4,120	-	4,120	1,085	3,035	26%	-	1,085	3,035	26%
Bus Passes - Taxable	54,000	-	54,000	25,180	28,820	47%	-	25,180	28,820	47%
Workers Comp Insurance	236,900	-	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	-	11,923	1,870	10,053	16%	-	1,870	10,053	16%
Unemployment Insurance	25,000	-	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	-	76,500	13,517	62,983	18%	-	13,517	62,983	18%
Benefit Administration Fees	3,500	-	3,500	832	2,668	24%	-	832	2,668	24%
	4,292,245	-	4,292,245	1,660,599	2,631,646	39%	-	1,660,599	2,631,646	39%
Other										
Soft Match Contributions	4,025,853	10,452	4,036,305	272,312	3,763,993	7%	-	272,312	3,763,993	7%
Exp - Local cash	165,625	5,000	170,625	0	170,625	0%	-	0	170,625	0%
Reconcile to Burden	(316,384)	103,255	(213,129)	0	(213,129)	0%	-	0	(213,129)	0%
	3,875,094	118,707	3,993,801	272,312	3,721,489	7%	0	272,312	3,721,489	7%
Grand totals:	46,615,259	(381,249)	46,234,010	9,005,927	37,228,083	19%	19,591,230	28,597,157	17,636,853	62%

% of Budget Spent @ 42% of year



Budget v. Actual and Encumbrances
General Fund Only
Through November - 42% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru		Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus		Balance	Pct of Bud
				Nov					Encumbrs			
Staff												
Salaries	31,264	27,746.00	59,010	51,678		7,332	88%	-	51,678		7,332	88%
Fringe Burden	17,239	15,299.00	32,538	28,517		4,021	88%	-	28,517		4,021	88%
Indirect Burden	51,497	46,955.00	98,452	86,242		12,210	88%	-	86,242		12,210	88%
	100,000	90,000	190,000	166,437		23,563	88%	-	166,437		23,563	88%
Consultant / Professional Services												
SCAG Consultant	313,050	-	313,050	60,263		252,787	19%	213,752	274,015		39,035	88%
Legal Services	200,000	-	200,000	5,228		194,772	3%	88,648	93,876		106,124	47%
Professional Services	-	-	-	-		-	0%	-	-		-	0%
	513,050	-	513,050	65,491		447,559	13%	302,400	367,891		145,159	72%
Regional Council Support												
TRAINING	25,000	25,000.00	50,000	-		50,000	0%	-	-		50,000	0%
RC & Committee Meetings	22,000	-	22,000	5,702		16,298	26%	9,940	15,642		6,358	71%
RC Retreat	17,500	-	17,500	-		17,500	0%	-	-		17,500	0%
RC General Assembly	17,500	-	17,500	-		17,500	0%	-	-		17,500	0%
Other Meeting Expense	20,000	-	20,000	1,409		18,591	7%	41	1,450		18,550	7%
Miscellaneous	21,500	-	21,500	1,739		19,761	8%	396	2,135		19,365	10%
RC Meeting Stipends	130,000	-	130,000	42,655		87,345	33%	-	42,655		87,345	33%
Travel	40,800	10,000.00	50,800	9,652		41,148	19%	-	9,652		41,148	19%
Travel - Lod. > Per Diem	3,000	-	3,000	813		2,187	27%	-	813		2,187	27%
Travel - Event Registration	4,000	-	4,000	1,085		2,915	27%	-	1,085		2,915	27%
AMPO Board Expense	-	-	-	-		-	0%	-	-		-	0%
NARC BOARD EXPENSE	3,500	-	3,500	-		3,500	0%	-	-		3,500	0%
	304,800	35,000	339,800	63,055		276,745	19%	10,377	73,432		266,368	22%
RC Special Projects and Sponsorships												
RC Special Projects	18,000	-	18,000	162		17,838	1%	60,500	60,662		(42,662)	337%
RC Sponsorships	91,800	-	91,800	350		91,450	0%	13,449	13,799		78,001	15%
	109,800	-	109,800	512		109,288		73,949	74,461		35,339	
All Other Budget Categories												
Payroll Bank Fees	4,500	-	4,500	2,017		2,483	45%	-	2,017		2,483	45%
Office Supplies	-	-	-	-		-	0%	-	-		-	0%
SCAG Memberships	22,614	-	22,614	7,614		15,000	34%	-	7,614		15,000	34%
Capital Outlay	44,000	-	44,000	-		44,000	0%	-	-		44,000	0%
Recruitment Notice	-	-	-	-		-	0%	10,000	10,000		(10,000)	0%
Letter of Credit Interest	75,000	-	75,000	-		75,000	0%	-	-		75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	450		550	45%	-	450		550	45%
Cash Contributions to Projects	346,839	(125,000.00)	221,839	-		221,839	0%	-	-		221,839	0%
	493,953	(125,000)	368,953	10,081		358,872	3%	10,000	20,081		348,872	5%
Grand totals:	1,521,603	-	1,521,603	305,576		1,216,027	20%	396,726	702,302		819,301	46%

REPORT

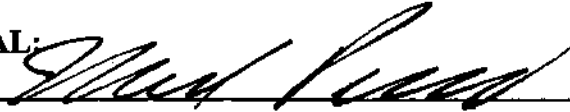
DATE: January 4, 2007

TO: Regional Council
Administration Committee

FROM: Don Rhodes, Manager, Government Affairs, (213)-236-1840

SUBJECT: Sponsorship of the 2007 California Congressional Delegation Reception

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

SCAG to co-sponsor the 2007 California Congressional Delegation Reception in Washington, D.C. during the annual APTA Legislative Conference in March, 2007, in a maximum amount of \$5,000.00.

BACKGROUND:

SCAG has been asked to co-host a California reception during the annual APTA Legislative Conference in Washington, D.C., tentatively scheduled for Tuesday, March 13, 2007, at 6:00 pm in the House Transportation and Infrastructure Committee Room, Rayburn House Office Building.

The reception will follow on the heels of the Surface Transportation Commission Hearing (the SAFETEA-LU '1909' Commission) held in Southern California on February 21-22, and SCAG's federal consensus trip to Washington, D.C. on February 27-March 1. The Mobility 21 trip to Washington, D.C., will shortly follow on March 26-29. Thus, the event is well-timed and is an excellent opportunity not only to initiate direct contact with key decision makers of the 110th Congress regarding California's complex transportation and infrastructure challenges, but also to deliver a consistent, repetitive message of regional consensus on the needs and solutions to meet those challenges.

All current and new California Congressional members and their transportation staff are invited to the reception, as well as the Chair and Ranking Members of the House and Senate Appropriations and Reauthorizing Committees. On the House side, the Democratic California Congressional membership on the important Appropriations Committee has expanded from two to five, with Reps. Barbara Lee (Oakland), Adam Schiff (Burbank), and Mike Honda (San Jose) joining Reps. Sam Farr (Carmel) and Lucille Roybal-Allard (Los Angeles), on this key money-spending panel. Representatives Honda, Millender-McDonald, and Roybal-Allard have attended this reception in prior years and we expect large attendance from the new majority members this year, including the incoming Chair of the House Transportation and Infrastructure Committee, Rep. James L. Oberstar (D-MN), with whom SCAG has enjoyed a good working relationship in the past. On the Republican side, we are indeed fortunate that Rep. Jerry Lewis (Redlands) from our region will remain the Ranking Republican in the 110th Congress, and Rep. John Doolittle (Granite Bay) will sit on the Committee as well.

REPORT

The reception is tentatively scheduled at the House Transportation and Infrastructure Committee Room, 2165 Rayburn House Office Building, Washington, D.C., on Tuesday, March 13, 2007, from 6-8 pm. The suggested sponsorship donation is up to but no more than \$5,000.00 per agency, however, the actual amount will be based upon the cost of the event and will be determined at a later date. Other than the Metropolitan Transportation Commission (MTC), which donates \$25,000.00 to sponsor this reception, the remaining cost is borne among the transportation agencies. All participating agencies are requested to sign a Memorandum of Understanding which sets forth their shared responsibility to co-sponsor the event. Other large transportation agencies in addition to SCAG that have sponsored this reception in the past include LACMTA, OCTA, RCTC, SANBAG, SCRRA, VCTC, and SANDAG.

At the January 2006 meeting of the Administrative Committee, members authorized SCAG to co-sponsor the 2006 California Congressional Delegation Reception in the amount of \$6,000.00. Thus, this request for co-sponsorship of the 2007 reception is consistent with the SCAG's past practice of co-sponsoring this event.

FISCAL IMPACT:

All funds related to co-sponsorship of the California Congressional Delegation Reception is contained within the adopted FY 07-08 budget and does not require the allocation of any additional financial resources.

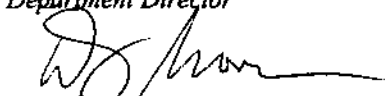
Reviewed by:


Division Manager

Reviewed by:

 for
Department Director

Reviewed by:


Chief Financial Officer

REPORT

DATE: January 4, 2007

TO: Transportation and Communications Committee
Regional Council

FROM: Michael Armstrong
213-236-1914/armstrong@scag.ca.gov

SUBJECT: Comments to the Southern California Regional Airport Authority

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION: Approve comments regarding membership, powers and mission of the Southern California Regional Airport Authority

BACKGROUND:

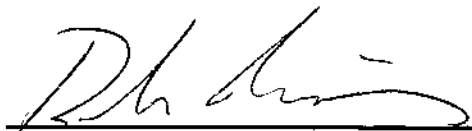
At its last meeting on October 12, 2006 the Southern California Regional Airport Authority (SCRAA) discussed a number of issues including making potential changes that may be needed in its powers, mission and composition/membership to remove structural problems that inhibited effective decision making by the authority in its past. These include very broad powers (including the authority to own and operate commercial air carrier airports, to exercise the power of eminent domain and to issue revenue bonds) in combination with a single-member veto provision. The SCRAA's membership currently includes the City of Los Angeles and counties of Los Angeles, Orange, San Bernardino and Riverside, with SCAG included as non-voting ex-officio member on the SCRAA's Board. At the October 12 meeting it was decided that members would consult with their legal counsels and present their recommended changes at their next meeting on January 11, 2007.

At its meeting on December 13, 2006 the SCAG Aviation Task Force developed and approved a number of comments relating to the powers, membership and mission of the Southern California Regional Airport Authority (SCRAA), as well as the relationship of the Authority to SCAG. These comments are intended to be submitted to the SCRAA for discussion as part of its next meeting on January 11, 2007 (see attached memorandum to the TCC).

FISCAL IMPACT:

None

Reviewed by:


Division Manager

Reviewed by:


Department Director

Reviewed by:


Chief Financial Officer

MEMO

DATE: December 15, 2006

TO: Regional Council

FROM: Michael Armstrong, Aviation Program Manager
213-236-1914/armstron@scag.ca.gov

SUBJECT: Comments to the Southern California Regional Airport Authority

SUMMARY:

At its meeting on December 13, 2006 the SCAG Aviation Task Force developed and approved a number of comments relating to the powers, membership and mission of the Southern California Regional Airport Authority (SCRAA), as well as the relationship of the Authority to SCAG. These comments are intended to be submitted to the SCRAA for discussion as part of its next meeting on January 11, 2007. The comments are as follows:

1. That SCRAA re-define its mission and responsibilities based upon current situation.
2. That the composition of SCRAA's membership be related to its new mission and responsibilities.
3. That SCRAA consider expanding its membership to include the counties of San Diego, Imperial and Ventura provided that inclusion of such counties is consistent with SCRAA's new mission and responsibilities.
4. That SCRAA re-examine its name so as to be consistent with its new mission and responsibilities.
5. That SCRAA revise its Joint Powers Agreement ("Agreement") so as to eliminate all proprietary powers, including but not limited to, its power of eminent domain.
6. That SCRAA revise the Agreement so as to eliminate its powers relating to airport operation.
7. That SCRAA further define its relationship with SCAG, and that the Agreement be revised to establish a clear delineation of SCRAA's powers and SCAG's responsibilities as a Metropolitan Planning Organization (MPO) for the region with respect to regional aviation and ground access planning.
8. In accordance with Comment #7 above, if SCRAA revises its role and responsibilities, a more formal role for SCAG shall be considered.
9. That SCRAA establish a technical advisory committee, whose membership would include airport operators.
10. That SCRAA appoint a person to serve on SCAG's Aviation Task Force.

MEMO

BACKGROUND:

At its last meeting on October 12, 2006 the Southern California Regional Airport Authority (SCRAA) discussed a number of issues including making potential changes that may be needed in its powers, mission and composition/membership to remove structural problems that inhibited effective decision making by the authority in its past. These include very broad powers (including the authority to own and operate commercial air carrier airports, to exercise the power of eminent domain and to issue revenue bonds) in combination with a single-member veto provision. The SCRAA's membership currently includes the City of Los Angeles and counties of Los Angeles, Orange, San Bernardino and Riverside, with SCAG included as a non-voting ex-officio member on the SCRAA's Board. At the October 12 meeting it was decided that members would consult with their legal counsels and present their recommended changes at the January 11, 2007 meeting.

REPORT

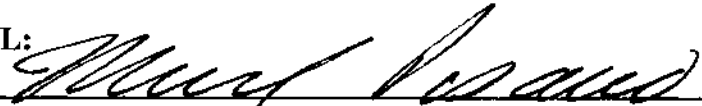
DATE: January 4, 2007

TO: Regional Council

FROM: Joann Africa, Deputy Legal Counsel, 213-236-1928
africa@scag.ca.gov

SUBJECT: Draft Appeals Procedure re. Regional Housing Needs Assessment (RHNA)

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve Draft Appeals procedure for purposes of preparing the Regional Housing Needs Assessment.

SUMMARY:

Attached for the Regional Council's review is a draft procedure for handling appeals related to the Regional Housing Needs Assessment (RHNA). Staff seeks approval of the draft appeals procedure at this time in order to comply with the current RHNA schedule. Because this schedule currently projects the Draft Housing Allocation Plan to go before the Regional Council for approval on February 1, 2007, and the attached appeals procedure proposes the appeals filing period to commence shortly thereafter with appeal hearings occurring in April 2007, it is advisable to have the appeals procedure approved and in place before the adoption the Draft Housing Allocation Plan.

The draft RHNA appeals procedure was previously reviewed by the CEHD Committee in December, who proposed certain changes which staff has incorporated in the attached version of the appeals procedure.

Legal staff intends to go over the various aspects of the attached procedure. The procedure was written based upon our Pilot Program and existing law. To the extent that an issue is not addressed in the Pilot Program or existing law, staff has proposed rules or methods which it believes are reasonable and consistent with our current RHNA process. The draft procedure outlines both the formal appeal process and the trade and transfer process.

FISCAL IMPACT:

Funding for work regarding development of the appeals procedures is included as part of the Regional Council's previous general fund appropriation to fund RHNA.

Reviewed by:


Division Manager

Reviewed by:


Department Director

Reviewed by:


Chief Financial Officer



REGIONAL HOUSING NEED ASSESSMENT APPEALS PROCEDURE

Pursuant to SCAG's Pilot Program and supplemented by Government Code Section 65584.05, there are two processes for local jurisdictions to request to modify their allocated share of the regional housing need included as part of SCAG's Draft Housing Allocation Plan.

This first process involves a formal appeal with SCAG, and this document sets forth the process and procedure for local jurisdictions to appeal their regional housing need allocations, as outlined in Section I herein.

The second process involves two or more local jurisdictions proposing a "trade and transfer" or alternative distribution of their regional housing need allocations by way of a written agreement. This document sets forth the process and guidelines to accomplish trades and transfers, as outlined in Section III herein.

In accordance with SCAG's Pilot Program, local jurisdictions are entitled to no more than one appeal, and no appeal shall be allowed relating to post-appeal reallocation adjustments made by SCAG, as further described in Section II, below.

I. APPEALS PROCESS

A. DEADLINE TO FILE

Under existing law,¹ SCAG can determine the period to file appeals. According to SCAG's current RHNA schedule, attached hereto as Exhibit "A," the Draft Housing Allocation Plan is currently projected to go before SCAG's Regional Council for review and approval on February 1, 2007. The period to file appeals shall commence two weeks after the Draft Housing Allocation is approved. In order to comply with SCAG's current RHNA schedule, any jurisdiction seeking to appeal its draft allocation of the regional housing need must file an appeal within thirty (30) calendar days of the start of the filing period. Late appeals shall not be accepted by SCAG.

¹ Unless otherwise stated, any reference to "existing law" herein shall mean a reference to California Government Code Section 65584.05.

B. FORM OF APPEAL

The local jurisdiction shall state the basis and specific reasons for its appeal on the appeal form prepared by SCAG, a copy of which is attached hereto as Exhibit "B". Additional documents may be submitted by the local jurisdiction as attachments, and all such attachments should be labeled and properly numbered.

C. BASES FOR APPEAL

Local jurisdictions shall only file an appeal based upon the criteria listed below. In order to provide guidance to potential appellants, information regarding SCAG's allocation methodology and application of local factors in the development of SCAG's allocation methodology is attached hereto as Exhibit "C".²

1. Methodology – That SCAG failed to determine the jurisdiction's share of the regional housing need in accordance with the information described in, and the allocation methodology established and approved by SCAG.
2. AB 2158 Factors – That SCAG failed to consider information submitted by the local jurisdiction relating to certain local factors outlined in Govt. Code § 65584.04(b), including the following:
 - a. Each member jurisdiction's existing and projected jobs and housing relationship.
 - b. The opportunities and constraints to development of additional housing in each member jurisdiction, including the following:
 - (1) lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period;

² This information was previously released by SCAG as part of its "Notice of Public Workshops regarding SCAG's Integrated Growth Forecast/Regional Housing Needs Assessment" (released in October 2006) and its "Public Hearing Notice" related to the second RHNA public hearing (released in December 2006).

- (2) the availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities;
 - (3) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis.
 - (4) County policies to preserve prime agricultural land, as defined pursuant to Government Code Section 56064, within an unincorporated area.
 - c. The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
 - d. The market demand for housing.
 - e. Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.
 - f. The loss of units contained in assisted housing developments that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
 - g. High housing costs burdens.
 - h. The housing needs of farmworkers.
 - i. Any other factors formally adopted by SCAG.
3. Changed Circumstances – That a significant and unforeseen change in circumstances has occurred in the jurisdiction that merits a revision of the information previously submitted by the local jurisdiction.

D. LIMITS ON SCOPE OF APPEAL

Existing law limits SCAG's scope of review of appeals. Specifically, in accordance with existing law, SCAG shall not grant any appeal based upon the following:

1. Any other criteria other than the criteria in Section I.C above.
2. A local jurisdiction's existing zoning ordinance and land use restrictions, including but not limited to, the contents of the local jurisdiction's current general plan. In accordance with Government Code Section 65504.04(d)(2)(B), SCAG may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.
3. Any local ordinance, policy, voter-approved measure or standard limiting residential development. Pursuant to Government Code Section 65584.04(f), any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

E. ALTERNATIVE DATA REQUIREMENTS

To the extent a local jurisdiction submits alternative data or evidentiary documentation to SCAG in support of its appeal, such alternative data shall meet the following requirements:

1. The alternative data shall be readily available for SCAG's review and verification. Alternative data should not be constrained for use by proprietary conditions or other conditions rendering them difficult to obtain or process.
2. The alternative data shall be accurate, current, and reasonably free from defect.
3. The alternative data shall be relevant and germane to the local jurisdiction's basis of appeal.
4. The alternative data shall be used to support a logical analysis relating to the local jurisdiction's request for a change in its regional housing need allocation.

F. HEARING BODY

SCAG's Regional Council has the discretion to determine who shall hear and decide appeals relating to the RHNA process. By resolution, the Regional Council may delegate this responsibility to a hearing body. It is recommended that the RHNA Subcommittee, established by SCAG's CEHD Committee and thereafter nominated and approved by SCAG's Regional Council in September 2006 to assist staff in addressing certain factors for the allocation methodology, serve as the hearing body to handle and decide appeals. The RHNA Subcommittee shall be renamed as the "RHNA Appeals Board." The RHNA Appeals Board shall be comprised of six (6) members and six (6) alternates, each representing one of the six (6) counties in the SCAG region. There shall be a quorum of the RHNA Appeals Board provided that each county is represented, and while alternates are permitted to participate in the appeal hearing process, each county shall only be entitled to one vote.

To the extent that any member of the RHNA Subcommittee does not desire or is unable to serve as a member of the RHNA Appeals Board, the CEHD Committee may appoint another member of its Committee to serve on the RHNA Appeals Board, subject to the approval of the Regional Council. Appeals shall be granted or partially granted (see, Section I.H. herein) by a majority vote only.

G. APPEAL HEARING

Hearings related to appeals shall occur within 45 days of the deadline to file appeals. Notice shall be provided to the appealing jurisdiction in accordance with existing law. The appeal hearing may take place provided that each county is represented either by a member or alternate of the RHNA Appeals Board. Alternates are permitted to participate in the appeal hearing, provided however, that each county shall only be entitled to one vote when deciding on the appeal. In the event the hearing involves the member's or alternate's respective jurisdiction, the member or alternate shall be disqualified and is not permitted to participate in the hearing, except as a member of the public.

The hearing shall be conducted to provide the appealing jurisdiction with the opportunity to make its case regarding a change in its regional housing need allocation, with the burden on the appealing jurisdiction to prove its case. The RHNA Appeals Board need not adhere to formal evidentiary rules and procedures in conducting the hearing. An appealing jurisdiction may choose to have technical staff present its case at the hearing. At a minimum, technical staff should be available at the hearing to answer any questions of the RHNA Appeals Board. SCAG staff shall also be permitted to present its position and may make a recommendation on the technical merits of the appeal to the RHNA Appeals Boards, subject to any rebuttal by the appealing jurisdiction.

H. DETERMINATION OF APPEAL

The RHNA Appeals Board shall issue a written decision to the appealing jurisdiction within ten (10) days of the public hearing. The decision shall be to: (1) grant the appeal and approve the total amount of housing units requested by the jurisdiction to be modified as part of its appeal; (2) partially grant the appeal and approve part of the amount of housing units requested by the jurisdiction to be modified as part of its appeal; or (3) deny the appeal and reject any modification to the jurisdiction's regional housing need allocation. The decision of the RHNA Appeals Board shall be final, and local jurisdictions shall have no further right to appeal. In accordance with existing law, the final determination on an appeal by the RHNA Appeals Board may require the adjustment of allocation of a local jurisdiction that is not the subject of an appeal.

II. POST-APPEAL REALLOCATION OF REGIONAL HOUSING NEED

In accordance with existing law (see, Government Code Section 65584.05(g)), after the conclusion of the appeals process, SCAG shall total the successfully appealed housing need allocations and if the adjustments total seven percent (7%) or less of the regional housing need, SCAG shall distribute the adjustments proportionally to all local jurisdictions (excepting jurisdictions within a subregion who has accepted delegation).

If the adjustments total more than seven percent (7%) of the regional housing need, SCAG can develop a methodology to distribute the amount greater than seven percent to local governments in accordance with existing law. In this situation, SCAG's methodology shall be to distribute the remainder proportionally to all local jurisdictions (excepting jurisdictions within a subregion who has accepted delegation).

III. TRADE AND TRANSFER PROCESS

As an alternative to the appeals process, a local jurisdiction may attempt a "trade and transfer" of its allocation with another jurisdiction(s), for the purpose of developing an alternative distribution of housing need allocations consistent with existing law. SCAG shall facilitate or assist in trade and transfer efforts by local jurisdictions, to the extent reasonably feasible. As such, local jurisdictions need not file an appeal with SCAG in order to attempt trades and transfers. SCAG shall deem housing need allocations that are part of an agreement involving a proposed alternative distribution as appealed housing allocation for purposes of preparing the Final Housing Allocation Plan, or Final RHNA. Agreements involving proposed alternative distributions shall be submitted to SCAG prior to SCAG's adoption of the Final RHNA, and be presented to SCAG using the form attached hereto as Exhibit "D."

SCAG shall include the alternative distribution proposed by the local jurisdictions in the Final RHNA, provided that the proposed alternative distribution maintains or accounts for the total housing need originally assigned to these communities and complies with the following guidelines:

- A. Transfer request shall have at least two willing partners and total number of units originally assigned to the group requesting the transfer (hereinafter referred to as the "transfer group") cannot be reduced.
- B. All members of the transfer group shall retain some allocation of very-low and low-income units.
- C. The proposed transfer includes a description of incentives and/or resources that will enable the jurisdiction(s) receiving an increased allocation to provide more housing choices absent the proposed transfer and accompanying incentives or resources.
- D. The proposed transfer shall be consistent with existing housing law, including the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- E. If the proposed transfer results in a greater concentration of very-low income or low-income units in a receiving jurisdiction which has a disproportionately high share of households in that income category, the transfer group shall provide a reasonable justification to SCAG so as to address the RHNA objectives set forth in Government Code Section 65584(d) (1) through (4).
- F. The proposed transfer shall comply with the Pilot Program, and shall not prohibit SCAG from making a determination that its Final RHNA is consistent with SCAG's regional transportation plan (RTP) and air quality conformity finding of the RTP in accordance with the Pilot Program.
- G. The transfer group shall retain its originally assigned allocations in the event the agreement involving the proposed transfer is not completed.

IV. FINAL RHNA

After SCAG redistributes the adjustments to the local jurisdictions following the appeals process, incorporates any alternative distributions of transferring jurisdictions, and receives the final allocations of subregional housing need from the delegated subregions, SCAG shall adopt a Final RHNA. Any challenges to the final RHNA is subject to judicial review pursuant to Section 1094.5 of the California Code of Civil Procedure.

V. DELEGATED SUBREGIONAL APPEALS PROCESS

All delegated subregions shall follow and comply with SCAG's appeals procedure set forth, except that the delegate subregion has the discretion to determine its own filing period for appeals and the composition of its appeal hearing body. Jurisdictions within a delegated subregion that are unsuccessful in their appeal efforts shall have no right of appeal with SCAG. In addition, delegated subregions may facilitate a trade and transfer process consistent with the guidelines developed by SCAG and identified herein in Section III.

Exhibit "A" -- RHNA Timeline

January 2007- June 2008

Jan 11, 2007	Second public hearing regarding final methodology. This will focus on presenting final methodology, subregional workshop results, and policy recommendations.
Jan 31	Deadline for subregions to accept delegation
Feb 1	CEHD and RC approves final integrated forecast with 4 variables and final RHNA methodology and adopts draft RHNA allocation plan.
Feb 15	Start of the 30-day period to file appeals.
Mar 16	Last day for jurisdictions to file appeals based on AB 2158 factors, methodology, or changed circumstances.
Mar 26	Deadline for SCAG to notify jurisdictions of a public hearing for their appeal (within 10 days of end of filing period).
Mar 30	Submit status report to state pursuant to Pilot Program.
Apr 25-30	Public hearings held for appealing jurisdictions. The hearings will be held between the 30 th and 35 th days from the date of SCAG's notification.
May 10	End of the appeals process with decisions by Appeals Board rendered; staff to begin preparing final RHNA allocation. Alternative distribution and transfers may occur until SCAG adopts a final housing need allocation plan.
Jun 5	SCAG notifies jurisdictions 30 days in advance of the public hearing for the final adoption of the final RHNA allocation.
Jun 7	SCAG issues a proposed final allocation plan based on appeals and input received. This must occur within 45 days of the end of the appeals filing and hearing process, so the last day technically is June 18.
July 5	SCAG holds a public hearing to adopt the final housing need allocation plan. This must occur within 45 days of issuance of the proposed final allocation plan.
July 6	SCAG submits its final housing need allocation plan to HCD.
Sept 4, 2007	Deadline for final adoption of the Housing Allocation Plan by HCD.
Jun 30, 2008 (statutory)	Due date for jurisdictions in the SCAG Region to submit revised Housing Elements to HCD.

Exhibit "B" -- Appeals Form



Fourth Cycle Regional Housing Needs Assessment Appeal Request

Date: _____

County/ Subregion: _____

Jurisdiction: _____

Contact: _____

Phone #/ Email: _____

APPEAL AUTHORIZED BY:

Name: _____

PLEASE CIRCLE BELOW:

Mayor	Chief Administrative Officer (County)	City Manager	Chair of County Board of Supervisors	Other _____
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BASES FOR APPEAL

- ☐ RHNA Methodology
- ☐ AB 2158 Factors (See Government Code Sec. 65584.04 (d))
 - ☐ Existing or Protected Job-Housing Balance
 - ☐ Infrastructure Constraints for Additional Development
 - ☐ Distribution of Household Growth assume for Purposes of Comparable Regional Transportation Plans
 - ☐ Market Demand for Housing
 - ☐ County-City Agreements to Direct Growth toward Incorporated Areas of County
 - ☐ Loss of Units Contained in Assisted Housing Developments
 - ☐ Lands Protected from Urban Development under Existing Federal or State Programs
 - ☐ High Housing Cost Burdens
 - ☐ Housing Needs of Farm workers
 - ☐ County Policies to Preserve Prime Agricultural Land
- ☐ Changed Circumstances

Brief Description of Appeal Request and Desired Outcome:

List of Supporting Documentation, by Title and Number of Pages:

- 1.
- 2.
- 3.
- 4.

FOR STAFF USE ONLY:

 SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS Date _____

Hearing Date _____

Planner _____

SCAG Document Reference # _____

Exhibit "C" – Allocation Methodology and Application of AB 2158 factors



Proposed Allocation Methodology for Regional Housing Needs Allocation (RHNA)

The proposed allocation methodology for preparing the 4th cycle of the Regional Housing Needs Allocation (RHNA) (hereinafter referred to as the "Allocation Methodology") for the SCAG region is described in the following, and is intended to supplement the allocation methodology previously described and released by SCAG in October 2006 as part of the "Notice of Public Workshops Regarding SCAG's Integrated Growth Forecast/Regional Housing Needs Assessment," a copy of which is attached herein as Exhibit "A." New developments affecting the Allocation Methodology are described herein, including the policy decisions recommended by RHNA Subcommittee and adopted by the Community, Economic, and Human Development Committee (CEHD) in November 2006.

Background and Status of RHNA Process

As the region's council of governments, SCAG is responsible for allocating the state-determined regional housing need to all jurisdictions that comprise the SCAG region. The RHNA, a state mandate regarding planning for housing in California, is rooted in the State Legislature's goal to expand housing opportunities and accommodate housing of California in all economic levels. The state, regional and local governments have a role to play in attaining this goal. The State of California, via the Housing and Community Development Department (HCD) determines each region's need for housing. Council of governments, such as SCAG, then allocate that regional need, for all income groups, amongst its jurisdictions. Local jurisdictions then plan for that need in their updated housing elements, which are stated-certified by HCD.

The Allocation Methodology is the tool used by SCAG to assign each jurisdiction in the SCAG region its share of the of the region's total housing need. It should be noted at the outset that SCAG and HCD continue to be in discussions regarding the forecast and total construction needs at the regional level. SCAG anticipates resolution of these issues to be concluded shortly, in order for SCAG to have the region's total housing need number.

SCAG, in the meantime, is proceeding with the RHNA process. As further described below, SCAG has completed fifteen (15) subregional/local jurisdiction workshops on the Integrated Growth Forecasts and RHNA between October 30 and November 14. While local considerations were initially incorporated as part of the Allocation Methodology, information and input received from the workshops, and additional discussions and comments with individual jurisdictions, are currently being assessed by SCAG which could affect the Allocation Methodology. It is staff's intent to complete its analysis of the information gathered from the workshops before the scheduled public hearing in January 2007, and to discuss what impact, if any, such information has on the Allocation Methodology.

Policy decisions by RHNA Subcommittee regarding Allocation Methodology, adopted by CEHD in November 2006

While the Integrated Growth Forecasting process has adequately addressed most of the AB 2158 planning factors, it was staff's opinion that there certain factors requiring policy considerations for purposes of completing the Allocation Methodology. The CEHD established a RHNA Subcommittee to assist staff regarding these policy considerations. The RHNA Subcommittee was comprised of local elected officials, and considered the following factors:

- Farmworker housing needs
- Loss of at-risk low-income units
- Housing Cost
- Market Demand
- Fair Share/Over-concentration

With significant comments and inputs from the Programs and Plans Technical Advisory Committee (TAC), the RHNA Subcommittee made recommendations regarding these factors and whether they would be addressed in the Allocation Methodology. The recommendations of the RHNA Subcommittee were presented to and approved by the CEHD in November 2006 as follows:

Farmworker Housing Needs

The housing needs of farmworkers are not always included in a housing allocation methodology. Farmworker housing needs are concentrated geographically and across farm communities in specific SCAG region counties and sub areas. The CEHD approved a policy that combines an existing housing need statement with giving local jurisdictions the discretion to deal with farmworker housing needs. This factor will not be addressed in SCAG's Allocation Methodology. Instead, SCAG will provide the farmworker housing need data for local jurisdictions to adequately plan for such need in preparing their housing elements. These data include:

- Farmworkers by Occupation;
- Farmworkers by Industry;
- Place of Work for Agriculture.

Loss of At-risk Low-Income Units

The conversion of low-income units into non-low-income uses is not necessarily reflected in a housing allocation methodology. The loss of such units affects the proportion of affordable housing needed within a community and the region as a whole. There is an inherent risk of losing more affordable units in any one year than are allocated to be built, which severely impacts local housing accessibility for low-income households.

The CEHD approved a policy that combines an existing housing need statement with giving local jurisdictions the discretion to deal with this factor. This factor will not be addressed as part of SCAG's Allocation Methodology. Instead, SCAG will provide the data for this factor for local jurisdictions to adequately plan for the loss of at risk low income units in preparing their housing elements.

High Housing Cost Burden

The CEHD approved the recommendation by the RHNA Subcommittee to assign more housing to high housing cost jurisdictions relative to lower cost jurisdictions based on vacancy rate differentials as recommended by the RHNA Subcommittee. The recommendation is to use the regional vacancy rate of 3.5% (HCD Low scenario), broken down by renter and owner-status, across all jurisdictions to adjust the future vacant unit need, with special adjustments for impacted communities with a high concentration of low income households. For these impacted communities, the lower of the Census vacancy rate or the 3.5% vacancy rate will be used. Collectively, this approach regarding the high housing cost burden will modestly increase housing stock in low vacancy, high housing cost communities versus other jurisdictions, and is based upon an ideal healthy market vacancy adjustment consistent with the State HCD low scenario, which assumes an ownership vacancy rate of 2.3% and a renter vacancy rate of 5%.

The mathematical equation for addressing this policy decision for purposes of the Allocation Methodology would be as follows:

Construction Needs for each Jurisdiction (2005-2014):

[Household Growth (2005-2014) + Replacement Needs (1997-2005)] +
[Vacancy Rate Adjustment (3.5% = 2.3% for Owner, 5% for Renter)] –
Adjustments for local jurisdictions where the share of very-low and low income household is greater than their county's share of very-low and low income households, and their vacancy rates are lower than the combined vacancy rate of 3.5%.

Market Demand

The CEHD adopted the RHNA Subcommittee's recommendation that the Integrated Growth Forecast adequately address this factor and elected not to make any further adjustments relating to the market demand for housing and the employment to population relationship for purposes of the Allocation Methodology.

Fair Share/Over Concentration

California housing law states that the regional housing allocation methodology must avoid or mitigate the over-concentration of income groups in a jurisdiction to achieve its objective of increasing the supply and mix of housing types, tenure, and affordability in an equitable manner, which would result in each jurisdiction receiving an allocation of units for low and very low income households [see, Govt. Code Section 65584(d)].

The CEHD adopted the recommendation from the RHNA Subcommittee that each community should close the gap between their current income household distribution and the county median distribution, by specifically adjusting their respective levels to 110% of the county average. SCAG finds that this "fair share adjustment" would fully address the statutory planning requirement to achieve equity by moving to the county income distribution over the 2005-2014 planning period and avoid the further concentration of lower income households in "impacted" communities.

Example of Allocation of Construction Needs by Income Category utilizing approved Fair Share Adjustment):

Each jurisdiction will move 110% towards the county distribution in each of its four income categories. For example, based on county median household income in 2000 Census, a jurisdiction's income distribution is:

Very low (29.5%), Low (16.8%), Moderate (16.6%), Above moderate (37.1%),

The county distribution is:

Very low (24.7%), Low (15.7%), Moderate (17.1%), Above moderate (42.6%),

The final adjusted allocation for the jurisdiction by income category following the fair share adjustment is:

Very low: $24.2\% = 29.5\% - (29.5\% - 24.7\%) \times 110\%$

Low: $15.6\% = 16.8\% - (16.8\% - 15.7\%) \times 110\%$

Moderate: $17.1\% = 16.6\% - (16.6\% - 17.1\%) \times 110\%$

Above moderate: $43.1\% = 37.1\% - (37.1\% - 42.6\%) \times 110\%$

For the detailed analysis of the recommendations of the RHNA Subcommittee which were ultimately approved by the CEHD, please see the November 2, 2006 agenda and attachments for the CEHD Committee.

http://scag.ca.gov/committees/pdf/cehd/2006/november/cehd110206_5_2.pdf

The Use of Input/Information from the Integrated Growth Forecasts and RHNA Workshops

SCAG, in cooperation with the respective subregions within the SCAG region, held 15 public workshops between October 30 and November 14 for local jurisdictions, members of the public, and interested parties to provide input to SCAG with regard to:

- SCAG's development of its *draft* regional Integrated Growth Forecast and the resulting disaggregation of the Integrated Growth Forecast into smaller geographic levels [(County, subregion, city and TAZ (Transportation Analysis Zone))] based upon four major variables: population, employment, household and housing units.
- Refinement of SCAG's initial assessment of the housing capacity of cities as reflected in the Integrated Growth Forecast by further analysis of the AB 2158 planning factors required for SCAG's development of the Regional Housing Needs Assessment (RHNA).

Currently, SCAG is in the process of reviewing the information/input received from the workshops, scheduling and conducting additional meetings with local jurisdictions to discuss their concerns, and further facilitating public participation regarding the Integrated Growth Forecast/RHNA process. SCAG staff activities following the workshops include:

1. Working with subregion partners, such as Riverside County (including WRCOG, Coachella Valley Association of Governments, and Riverside County), SANBAG, OCCOG, VCCOG, to incorporate their collective input from all their member local jurisdictions regarding the Integrated Growth Forecasts and RHNA plan.

2. Identifying and following up with local jurisdictions where recent growth trends, development patterns, and land use capacity could provide more growth than SCAG's initial assessment primarily based on local input from 2004 RTP growth forecasting process.

Staff intends to presents its analysis of the information/input gathered from the workshops, and whether this affects the Allocation Methodology, as part of the second public hearing relating to RHNA set for January 2007.

Finally, staff will also present information regarding any existing local, regional and state incentives available to those local jurisdictions that are willing to accept a higher share than proposed in the draft allocation plan.

Exhibit "A"

Description of SCAG's proposed Allocation Methodology (Previously released by SCAG on October 6, 2006 as part of "Notice of Public Workshops regarding SCAG's Integrated Growth Forecast/Regional Housing Needs Assessment")

The foundation of SCAG's proposed Allocation Methodology is the "Integrated Growth Forecast", which represents the most desired growth scenario for the Southern California region in the future because it ties housing to transportation planning. The growth scenario includes the size and distribution of growth in the SCAG region. It is based on a combination of recent and past trends, reasonable key technical assumptions, and existing and new local or regional policy options. The Integrated Growth Forecast at the regional and small area level are the basis for developing the Regional Transportation Plan (RTP), Environmental Impact Report (EIR), Compass Blueprint Plan, and the Regional Housing Needs Assessment (RHNA). The development of the Integrated Growth Forecast is driven by a principle of collaboration between the regional and local jurisdictions who are major contributors in the process. Integration of the output from the regional and local forecasts is achieved through joint efforts and collaboration among the various contributors.

In February 2005, SCAG's Community, Economic and Human Development Committee (CEHD) approved and directed staff to proceed with the 2007 RTP Growth Forecast Update Process, currently known as the 2007 Integrated Growth Forecasting process for the 2007 RTP/EIR/RHNA and Compass Blueprint. SCAG's Plans & Programs Technical Task Force (P&P TAC) also assisted in the process by providing technical and policy input. Policy Committees of the Regional Council were periodically informed of progress and provided direction to the process.

Development of the Integrated Growth Forecast

Development of the Integrated Growth Forecast involves several steps. This first step entailed an analysis of recent regional growth trends and the collection of significant local plan updates. A variety of large area estimates and projections are collected from federal and state governments. The major government sources included information from the following agencies:

- U.S. Department of Commerce, Census Bureau and Bureau of Economic Analysis,
- U.S. Department of Labor, Bureau of Labor Statistics,
- Internal Revenue Service (IRS),
- U.S. Citizenship and Immigration Services,
- Department of Health and Human Services,
- California Department of Finance (DOF),
- California Employment Development Department, and
- Information received through the Intergovernmental Review process.
- Small area estimates and projections were also available from aerial land use data, data from ES202, CTPP, general plan, parcel level data from tax assessor's office, building permits from Construction Industry Research Board and demolition data from the DOF.

The next steps involved the review and update of the 2004 regional growth forecast methodology used as part of SCAG's 2004 Regional Transportation Plan and key assumptions. The widely used methodology included the cohort-component method and the shift-share method. The key technical assumptions included updates regarding the fertility rate, mortality rate, net immigration, domestic in-migration, domestic out-migration, labor force participation rates, double jobbing rates, unemployment rates, and headship rates.

Thereafter, a review and update of existing regional growth policies and strategies, including Compass Blueprint strategies, economic growth initiatives, Goods Movement strategies, etc. were assessed. Relevant analysis also included general plan capacity analysis, demonstration projects, regional growth principles, polling and focus groups, and public workshops.

The next step is to develop and evaluate the draft regional Integrated Growth Forecast scenarios with small area distributions. Regional growth forecast scenarios are developed and allocated into the smaller geographic levels using public workshops. The small area distributions of the regional growth are evaluated using transportation and emission modeling results and environmental impact review.

The last step is to select and adopt a preferred regional growth forecast. A regional growth scenario with selected small area distributions is developed using transportation and environmental performance measures. The Regional Council adopts a regional growth forecast.

An organized forecasting decision making process is required to develop a consensus regional growth forecast in an efficient, open, and fair way. A variety of groups or input involved in the forecasting process include panel of experts, subregional/local review, stakeholders/data users, public outreach, technical committee, policy committee, and the Regional Council.

Consistent with the timelines and tasks specified in the forecasting process flow chart, Community Development/Forecasting staff, with helps from subregions, cities, and subregional coordinators, completed the following tasks during 2005.

1. Conduct survey of local jurisdictions regarding recent changes in general plan and developments that could affect the long term growth patterns envisioned in the 2004 RTP/Growth Vision policy forecast.
2. Provided Transportation Modeling Division the extended Year 2000 socio-economic data set for new model development and calibration.
3. Collaborating with subregions/local jurisdictions, reviewed and revised the 2003 base year small area distribution of employment, population, and household, and completed/delivered the 2003 extended socio-economic data set to Modeling Division.
4. Conducted survey of subregions/local jurisdictions regarding recent changes in general plan and developments that could affect the long term growth patterns envisioned in the 2004 RTP/growth vision policy forecast.
5. Requested and received inputs from subregions regarding their perspectives of future growth in population, employment and household.
6. Reviewed and presented recent trends in population, employment and household growth and completed preliminary 2007/08 RTP no-project growth forecasts at regional/county/subregion level.

So far in 2006, with additional assistance from the 2007 integrated growth forecasting consultant teams, the following major milestones were accomplished for the integrated 2007 RTP/EIR/RHNA growth forecasting process:

- January 2006: Working with consultant, convening the Panel of Experts to review and comment on 2007 RTP/EIR/RHNA growth forecast at regional/county/subregion level.
- February 2006: Counties/subregions and local jurisdictions are invited to present their perspectives on growth and any pertinent growth issues to SCAG staff and the Panel of Experts.
- March – August 2006: Presented the updated 2007 RTP/EIR/RHNA growth forecasts at region and county levels to the Plans & Programs Technical Advisory Committees and Panel of Experts (the process in developing the methodology is attached).
- September 7, 2006: Discussed the 2007 integrated growth forecasts at region/county level as well as forecasting and RHNA Pilot issues/questions with the Plans and Programs Technical Advisory Committee in their special meeting.
- September 14, 2006: The CEHD approved and directed staff to proceed with the disaggregation of the draft 2007 integrated regional/county forecasts into smaller geographic levels and scheduling of subregion/local jurisdiction workshops and inputs process.

For detailed procedures of developing baseline growth forecasts, please see:

http://scag.ca.gov/rtpac/pdf/2006/tac041806_SCAGBaselineForecast_Draft_r4.pdf

Development of Allocation Methodology

For purposes of undertaking RHNA and developing an allocation methodology, SCAG has utilized the information generated as part of the development of the draft regional Integrated Growth Forecast. The Draft Integrated Growth Forecast of household growth in 2014 is the starting basis for RHNA planning. At the regional level, total regional

household growth projected between 2005 and 2014, plus vacancy and replacement adjustments is the draft construction need for the region (see below for detail).

The household forecast for each county in year 2014 provided by the Draft Integrated Growth Forecasts is the start of the RHNA allocation plan at county level. Similarly, the household forecast for each jurisdiction, including unincorporated areas within each county in the year 2014 is the start of the RHNA allocation plan at jurisdictional level.

Each jurisdiction's household distribution using county level median household income based on Census 2000 is the starting basis for RHNA housing allocation plan by income category.

Consideration of several local AB 2158 planning factors has been incorporated in the draft Integrated Growth Forecast by way of analysis of aerial land use data, employment and job growth data from the ES202 data base, Census Transportation Planning Package data, general plan, parcel level property data from tax assessor's office, building permit, demolition data and forecast surveys distributed to local jurisdictions.

However, because the draft Integrated Growth Forecast arguably does not adequately address some of the AB 2158 factors, such as loss of units contained in assisted housing developments, high housing costs burdens, and the housing needs for farm workers, the allocation methodology will depend on the outcome of policy recommendations of SCAG's CEHD RHNA Subcommittee, which will be subject to review and approval by SCAG's Regional Council. In addition, the allocation methodology is dependent on obtaining additional information from local jurisdictions regarding the AB 2158 factors as a result of the subregional workshops. Planning factors not adequately incorporated in the integrated growth forecasting process may be addressed by adding data and/or statistics from 2000 Census to the "existing needs" portion of the RHNA, or through application of policy recommendations.

Specifically, the AB 2158 factors have been considered in the draft Integrated Growth Forecast Process as follows:

- (1) Each member jurisdiction's existing and projected jobs and housing relationship

The resulting job/housing relationships are appropriately maintained for all local jurisdictions throughout the forecasting/planning horizon.

- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following, (i) lack of sewer or water service due to laws or regulations, (ii) the availability of land suitable for urban development or for conversion to residential use, (iii) lands preserved or protected from urban development under governmental programs designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, and (iv) county policies to preserve prime agricultural land within an unincorporated area.

The Integrated Growth Forecasting Process started with extensive survey of all local jurisdictions regarding their land use and constraints. All subregions/local jurisdictions are invited to provide SCAG their respective growth perspective and inputs. In addition, Compass 2% growth opportunity areas are identified throughout the region to redirect growth favoring an urban form consistent with regional mobility and air quality goals.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure.

The distribution reflects the results of the "Integrated Growth Forecasts."

- (4) The market demand for housing

All indicators of market demand, such as trends of building permits, household growth, employment growth and population growth are built in the forecasting methodology and model throughout all geographic levels.

- (5) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county

This is addressed through extensive survey of all local jurisdictions and subregion/local jurisdiction inputs/comments process.

- (6) The loss of units contained in assisted housing development.

Not addressed in the draft Integrated Growth Forecast.

(7) High housing costs burdens.

Not addressed in the draft Integrated Growth Forecast.

(8) The housing needs of farmworkers.

The Integrated Growth Forecasts did provide projection of agricultural jobs (wage and salary jobs plus self employment) by place of work. The corresponding requirements of workers were also provided by place of residence. There is no information regarding the forecasts of migrant workers.

(9) Others factors adopted by the council of governments.

To date, SCAG has not adopted any other planning factors to be considered as part of the allocation methodology.

To date, the draft allocation methodology is based upon the draft Integrated Growth Forecast having produced four major variables: (1) Population; (2) Employment; (3) Households and (4) Housing Units, broken down into the following geographic levels: SCAG region, County, Subregion, Local jurisdictions, and Transportation Analysis Zone (TAZ). All variables will be published for the region, county, subregion, and TAZs at five year increments. For the RHNA planning purpose and requirements, city level figures will also be provided for the year 2014.

Draft methodology at the regional level [REVISED—based on policies adopted by CEHD on November 2, 2006]:

Total regional construction needs between 2005 and 2014 = Household growth between 2005 and 2014 adjusted by (1) 2000 Census vacancy rates and (2) replacement needs based data from the Department of Finance (DOF).

SCAG Region household growth between 2005 and 2014: 678,873

(Source: Draft 2007 Integrated Growth Forecast)

Replacement Needs: 29,661

(Source: Based on the nine-year average between 1997 and 2005 of demolition permits reported to the DOF.)

Vacancy rate: 3.5% = Owner vacancy rate: 2.3%, Renter vacancy rate: 5.0%, with adjustments for local jurisdictions where the share of very low and low income household is greater than their county's share of low and very low income household, and their vacancy rates are lower than the combined vacancy rate of (3.5%)

(Source: CEHD policy adopted on November 2, 2006)

Total Regional Construction Needs (2005 – 2014):

[678,873: Household Growth (2005-2014) + 29,661: Replacement Needs (1997-2005)] +
[24,975: Vacancy Rate Adjustment (3.5% = 2.3% for Owner, 5% for Renter) 24,975] –
3,224: Adjustments for local jurisdictions where the share of very low and low-income household is greater than their county's share of low and very low income household, and their vacancy rates are lower than the combined vacancy rate of (3.5%).

= 730,105

Draft allocation methodology at all levels below the region:

Repeat the above procedures, except utilizing county, subregional, and city level figures.

Draft Forecasting/Allocation Methodology at the Region/County Level:

The allocation results of the four major variables—population, households, employment and housing units—from the Integrated Growth Forecasts are attached for subregion/local jurisdiction workshops. Following are simple description of the methodology.

The regional policies in terms of long term transportation projects funded by private sector investment and Compass 2% land use policies are *not* projected to affect regional, county, subregion, and city level growth of population, household, employment, and housing units before 2015. Compass 2% land use strategies are voluntary they only direct growth redistributions within city boundaries before 2015.

A. Population forecasts

Two factors account for population growth: natural increase (which is the balance between births and deaths) and net migration (which is the balance between the number of people coming and leaving the region).

Net migration is differentiated between domestic migrants (people moving in and out of the region to other parts of the nation, immigrants (legal and undocumented) moving to the region from other countries.

$$\text{2030 POPULATION} = \text{2000 POPULATION} + \text{NATURAL INCREASE} + \text{NET MIGRATION}$$

SCAG projects regional population using the cohort-component model. The model computes the population at a future point in time by adding to the existing population the number of group quartered population, births and persons moving into the region during a projection period, and by subtracting the number of deaths and the number of persons moving out of the area. This process is formalized in the demographic balancing equation.

The fertility, mortality and migration rates are projected in five year intervals for eighteen age groups, for four mutually exclusive ethnic groups: Non-Hispanic White, Non-Hispanic Black, Non-Hispanic Asian and Hispanic. The birth rates are also projected by population classes: residents (and domestic migrants) and international migrants.

SCAG links population dynamics to economic trends, and is based on the assumption that patterns of migration into and out of the region are influenced by the availability of jobs. The future labor force supply is computed from the population projection model by multiplying civilian resident population by projected labor force participation rates. This labor force supply is compared to the labor force demand based on the number of jobs projected by the shift/share economic model.

The labor force demand is derived using two step processes. The first step is to convert jobs into workers using the double job rate. The double job rate is measured by the proportion of workers holding two jobs or more to total workers. The second step is to convert workers into labor force demand using the ideal unemployment rate. If any imbalance occurs between labor force demand and labor force supply, it is corrected by adjusting the migration assumptions of the demographic projection model. Adjustment of migration assumptions is followed by total population changes.

The county forecasts are developed by analyzing the difference between the sum of initial county forecasts and the regional independent projections. If results are significantly divergent, input data at the county level is adjusted to bring the sum of counties projection and the regional independent projections more closely in line. Complete agreement between two projections is not mandatory. After analysis, the sum of counties constitutes the regional forecasts.

B. Employment forecasts

Employment forecasts utilize a top down procedure starting with a U.S. forecast, followed by California, and finally the SCAG region and counties. The regional employment forecasts will interact with the regional population forecasts.

The first step is to project the U.S. labor force based on projections of total population and labor force participation rates. Total jobs are projected from total labor force, unemployment rate, and the ratio of total jobs to employed residents. Total jobs are then projected to a one-digit industry code based on historical trends of the one-digit shares of U.S. total jobs.

The second step is to forecast California total jobs for each forecast year based on U.S. total jobs and the job share of California to U.S. for each forecast year. California total jobs are then projected to the one-digit industry code based on historical trends in the one-digit shares of California total jobs.

The third step is, to forecast regional total jobs for each forecast year based on California total jobs and the job share of the SCAG region to California for each forecast year. Total jobs are then projected to a one-digit industry code based on historical trends in the one-digit share of SCAG regional total jobs.

The fourth step is to forecast county total jobs for each forecast year based on regional total jobs and the job share of each county to the SCAG region for each forecast year. Total jobs are then projected to a one-digit industry code based on historical trends in the one-digit share of county total jobs. The preliminary are adjusted by future aging patterns and related labor force patterns of each county.

C. Household Forecasts

A household includes all the persons who occupy a housing unit as their usual place of residence. By definition, the count of households or householders is the same as the count of occupied housing units for 100-percent tabulations.

SCAG projects regional households by using headship rate method. The projected households at a future point in time are computed by multiplying the projected resident population by projected headship rates. The headship rates are projected by age, sex, and race/ethnicity.

Headship rate is the proportion of a population cohort that forms the household. It is specified by age and ethnicity. Headship rate is projected in five year intervals for seven age groups (for instance, 15-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75+), for four mutually exclusive ethnic groups.

D. Household Unit Forecasts

A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms or a single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall. Both occupied and vacant housing units are included in the housing unit inventory.

A housing unit is vacant if no one is living in it at the time of enumeration, unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by persons who have a usual residence elsewhere are also classified as vacant. Vacant units include vacant units for: sale only; rent only; seasonal, recreational, or occasional use; migrant workers; rented or sold, not occupied; other.

SCAG projects regional housing units by using "total vacancy rate method." The projected housing units at a future point in time are computed by dividing the projected households by occupancy rates (e.g., 1- total vacancy rates). Total vacancy rate is calculated by dividing the number of total vacant units by the number of total housing units.

For detailed methodology and assumptions of the Integrated Growth Forecasts at regional level, please see:

http://scag.ca.gov/rptac/pdf/2006/tac031606_SCAGBaselineForecastREV0404.pdf

and at county level, please see:

http://scag.ca.gov/rptac/pdf/2006/tac041806_SCAGBaselineForecast_Draft_r4.pdf

E. Considering Policy Impacts

It should also be noted that the regional policies in terms of long term transportation projects funded by private sector investment and Compass 2% land use policies are *not* projected to affect regional, county, subregion, and city level growth of population, household, employment, and housing units before 2015. Compass 2% land use strategies are voluntary they only direct growth redistributions within city boundaries before 2015.

Preliminary 2004 RTP growth forecasts update is completed by incorporating two regional policies into the baseline growth forecasts. There are two regional policies that will affect future size and distribution of baseline forecasts of employment, population, households, and housing units: one is Compass/Blueprint; the other one is private sector investment.

Given the fact Compass/Blueprint does not affect the growth and distribution at the county level, the private sector investment only will be considered to influence the future growth and distribution at the county level.

First, the regional job impacts of private investment are calculated for 20 NAICS sectors (by 2-digit) based on input-output analysis. These job impacts are distributed to counties based on growth share methodology for each sector.

Second, further adjustment was made based on 2004 RTP job distribution. Third, the regional job impacts are translated into the regional population adjustment using the economic-demographic model. Additional population is distributed to counties following the additional household adjustment.

Fourth, population adjustment is translated into households by using the household projection model. The regional household adjustment is distributed to counties following the county distribution of additional jobs.

Fifth and last, additional household adjustment is translated into housing units by using the total vacancy rate. The regional housing unit adjustment is distributed following the county distribution of additional households.

Please see http://scag.ca.gov/rptac/pdf/2006/tac081706_Forecast.pdf for assessing regional policy impacts and allocating county distribution.

Draft Forecasting/Allocation Methodology at City Level:

The overall framework for the city level demographic forecasts is provided by the household (occupied housing units) method. This approach is widely accepted and applied in forecasting socioeconomic growth for smaller geographic areas. The household method consists of the following three major projection components: housing units, households (occupied housing units) and population.

A. Population Forecasts

City population is projected as the group quarters population plus the product of households and average persons per household (PPH). The average number of persons per household is projected using the historical trend and the updated county PPH. Group quarters population is projected using its ratio to total population from the 2000 Census, which is assumed to remain constant during the projection horizon.

B. Employment Forecasts

The distribution of county jobs to city applies a “constant-share” approach to calculate city employment. Based on constant-share approach, city job growth is a function of city share to county jobs for each sector and future county job growth. If a city in Los Angeles county is specialized in a specific industry (e.g., manufacturing), its future job growth will be affected by future reduction of manufacturing jobs of Los Angeles county. The constant-share approach provides a reasonable job estimates for the future, which form a reasonable basis for future subregional input process.

C. Household Forecasts

The draft city household forecasts reflect long term growth patterns incorporated in the 2004 RTP forecasts, recent trends, and updated county household forecasts.

- Each local jurisdiction's household growth was first projected by using the “Constrained Exponential Growth Equations” with their respective long term historical trend data between 1980 and 2000.
- “Constrained” in the above methodology is to ensure that all local jurisdictions add up to county total.
- Provide the projected household growth to all local jurisdictions for comments and inputs and make adjustments accordingly.
- Adjust forecasting errors—actual 2005 vs. forecasted 2005—and apply to 2035.
- Control to revised county forecasts from the 2007 Integrated Growth Forecasts.

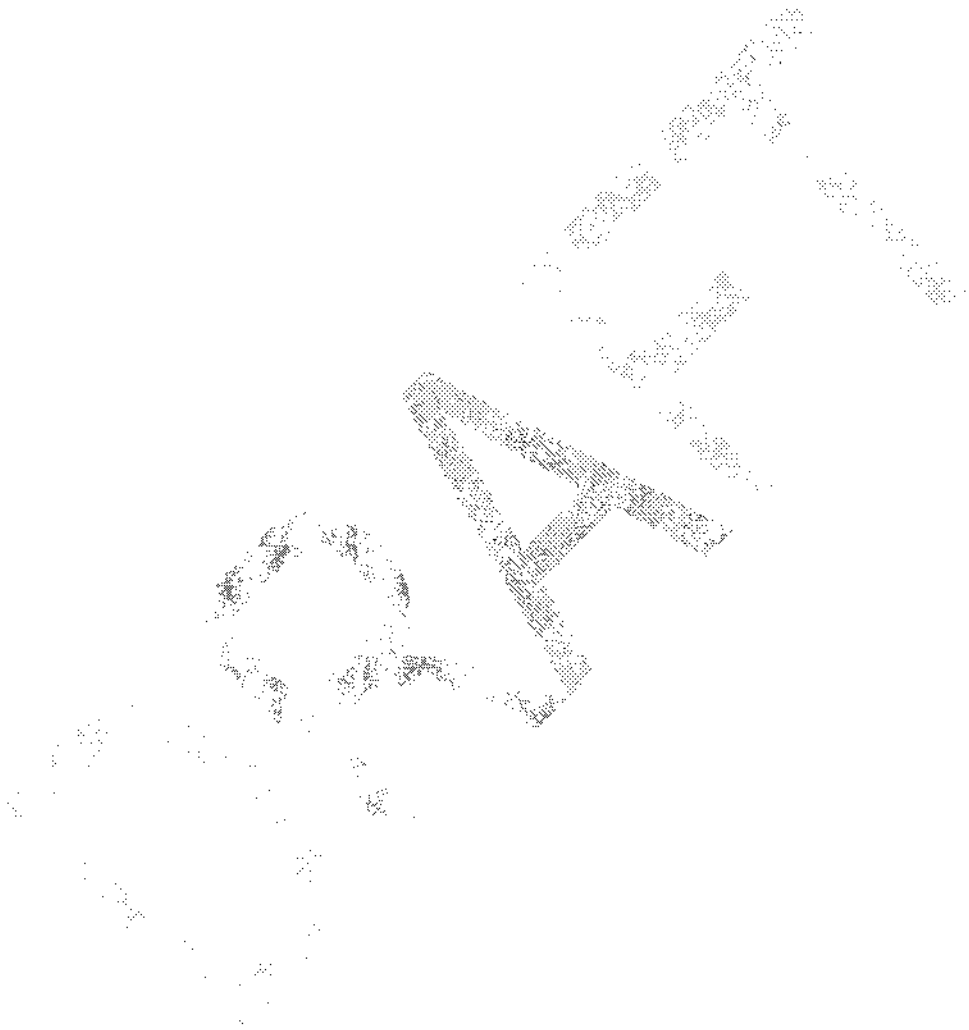
The household forecast for all local jurisdictions and unincorporated areas are attached for subregion/local jurisdiction workshops. The household growth between 2005 and 2014 forecasted for each local jurisdiction, plus replacement and vacancy adjustment is the starting allocation for the RHNA construction need.

D. Housing unit Forecasts

The projected housing units are computed by using the projected households and *total vacancy rate*. The city level total vacancy rate is based on the 2000 Census, and it is assumed to remain constant during the projection horizon.



Exhibit "D" – Trade and Transfer form



Fourth Cycle Regional Housing Needs Assessment Trade and Transfer Request

Date: _____

Note: Please attach additional pages if more than two jurisdictions are involved.

Jurisdictions proposing to trade and transfer housing need:

1. _____ will trade _____
name of jurisdiction *# of units*
 Contact: _____ Phone #/ Email: _____

2. _____ will accept _____
name of jurisdiction *# of units*
 Contact: _____ Phone #/ Email: _____

AUTHORIZATIONS:

_____ City Name	Mayor	Chief Administrative Officer (County)	City Manager	Chair of County Board of Supervisors	Other _____
PLEASE CIRCLE BELOW:					
_____ City Name	Mayor	Chief Administrative Officer (County)	City Manager	Chair of County Board of Supervisors	Other _____

Please describe the Type of Agreement that will execute the trade and transfer: _____

Please describe the incentives and/or resources that will enable the receiving jurisdiction to provide additional housing choices above their existing housing needs allocation: _____

Deadline to File: _____

FOR STAFF USE ONLY: